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Daily Report

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Japan

U.S. Downes Two Libyan Planes in Mediterranean

No Link to 'Chemical' Plant

OW0501002689 Tokyo KYODO in English 2357 GMT
4 Jan 89

[Text] Washington, Jan. 4 KYODO—The United States on Wednesday defended the shooting down of two Libyan MiG-23s over the Mediterranean, denying any link between the incident and an alleged Libyan plot to produce chemical weapons.

Defense Secretary Frank Carlucci told a news conference U.S. Navy jet fighters shot down the Libyan fighters at around 5 a.m. EST Wednesday (7 p.m. JST) as U.S. aircraft were engaged in training operations in international airspace.

Emphasizing that he was reporting the incident based on "preliminary reports," Carlucci said the Libyan jet fighters were "clearly acting in a hostile fashion."

Appearing before the press conference with Adm. William Crowe, chairman of the Joint Chiefs of Staff, Carlucci denied that the episode was connected with U.S. allegations that Libya was building a chemical weapons plant.

The Pentagon chief declined to elaborate on details of the latest military confrontation with Libya "until we debrief" the F-14 Tomcats pilots who were en route to Naples, Italy after downing the Libyan MiG-23s.

State Department spokesman Charles Redman said at a separate press briefing that the MiG-23 downing had "absolutely no relation" to the alleged Libyan chemical weapons plant.

Carlucci reiterated America's "grave concern" over the Libyan chemical plant, which according to some press accounts is being built with help of West German and Japanese companies.

In a related development, Gen. William Burns, director of the Arms Control and Disarmament Agency (ACDA), told reporters at the State Department that an international meeting on chemical weapons in Paris starting Saturday is designed to "heighten the understanding of states and of peoples of the world concerning the use of chemical weapons which we've recently seen, particularly in the Middle East."

Burns spelled out key U.S. objectives of the Paris meeting to be attended by over 130 countries—to "restore the integrity of the 1925 Paris protocol" banning the use of chemical weapons, to reinforce the U.N. secretary general's power to investigate the use of such weapons and to bring such cases to world attention.

"The purpose of the conference is a CW (chemical weapons) use conference," said Burns, deputy head of the U.S. delegation to the Paris meeting. Secretary of State George Shultz will be the chief U.S. delegate.

Foreign Ministry Comments

OW0501041689 Tokyo NHK General Television
Network in Japanese 0300 GMT 5 Jan 89

[Text] Regarding the downing of the Libyan fighters, the Foreign Ministry has stated the following: Since the United States has insisted that the incident was accidental and no further escalation is expected, this incident will have no serious affect on the trend toward the easing of tension between the United States and the Soviet Union despite possible increased tension between the United States and Libya.

However, since both the United States and Libya are expected to attend the International Conference on Chemical Weapons scheduled to open in Paris on 7 January, the Foreign Ministry intends to watch the possible influence this incident might have on the conference with caution.

Takeshita Notes Dollar Gain

OW0501044489 Tokyo KYODO in English 0430 GMT
5 Jan 89

[Text] Tokyo, Jan. 5 KYODO—Prime Minister Noboru Takeshita said Thursday the U.S. shooting down of two Libyan aircraft caused the dollar to surge against the yen.

The prime minister, talking with reporters briefly at his official residence, said the dollar usually turns stronger "when there is a smell of burning."

The dollar climbed to 125.60 yen at one point in morning trading on the Tokyo money market.

Auto Industry Considers U.S. Tariff Hike

OW0501092289 Tokyo KYODO in English 0759 GMT
5 Jan 89

[Text] Tokyo, Jan. 5 KYODO—The Japanese auto industry expressed concern Thursday over a U.S. decision to raise import tariffs on foreign-made multipurpose vehicles by 10-fold to 25 percent.

Industry sources said the move by the U.S. Treasury Department was probably aimed at curbing increased sales of such vehicles, mainly jeeps and other four-wheel-drive autos, in the last several years.

American automakers have recently introduced a new series of more comfortable multipurpose vehicles, and sources here interpreted the decision as a preemptive strike against Japanese makers before they could introduce similar types.

Mazda Motor Corp. began exporting multipurpose vehicles to the U.S. last fall, and Nissan Motor Corp. also exports a multipurpose auto.

Nissan, the second largest Japanese carmaker, said it does not know at this time how many of its vehicles will be affected by the new measure since its category definition is not so clear.

But a Nissan official said anywhere from 3,000 to 5,000 units a month might be affected.

Nissan has also announced plans to produce a new line of multipurpose vehicles in the U.S., which would not be affected by the new decision.

On Wednesday, the U.S. Customs Service announced that foreign-built multipurpose vehicles would be put in the same category as trucks, resulting in the higher tariffs.

U.S. Commission Rules Against 'Dumping' Charges
OW0501005889 Tokyo KYODO in English 0008 GMT 5 Jan 89

[Text] Washington, Jan. 4 KYODO—The U.S. International Trade Commission [ITC] said in a final ruling Wednesday that digital readout systems from Japan are not injuring domestic manufacturers.

The ITC's 4-2 decision will lead to the dismissal of an antidumping complaint filed by Anilam Electronics Corp. of Florida.

The Commerce Department had ruled in a preliminary finding that several Japanese companies were selling their digital readout systems or instruments to gauge the performance of machine tools and other equipment at less than fair value.

DA To Adopt Early Front Destruction Strategy
OW0401082289 Tokyo NHK General Television Network in Japanese 1000 GMT 3 Jan 89

[Text] The Defense Agency [DA] has finalized a plan aimed at repulsing invading enemy forces at the water's edge, and these early front destruction tactics have become the strategy for the Ground Self-Defense Force [GSDF]. The agency has decided to consider a new rocket system under the new defense buildup plan after 1991, or the so-called post-midterm defense buildup plan.

To counter landing enemy troops, the GSDF has traditionally adopted tactics calling for a protracted war inland until U.S. reinforcements arrive. However, these tactics allow enemy troops to occupy territory, thereby exposing residents to danger. The DA therefore plans to make the early front destruction strategy the basic strategy for the GSDF—tactics aimed at destroying invading forces at sea or during an attempted landing where they cannot sufficiently display their combat capabilities.

The strategy calls for attacking enemy ships engaged in landing operations with surface-to-ship missiles having a range of 15 km, and for repulsing landed troops with high-performance firearms.

Purchase of surface-to-ship missiles is included in the Fiscal 1988 budget. Under the post-1991 defense buildup plan, the DA will emphasize high-performance firearms for repulsing enemy troops which secure operational footholds in coastal areas.

The leading weapon under consideration by the Defense Agency is the multiple-launch rocket system called the MLRS, which is under development by the United States. The weapon has a range of 3 km, and is capable of being aimed rapidly and firing 12 rockets packed with hundreds of shells from a mobile launcher.

The DA plans to introduce these long-range and high-performance weapons to consolidate the early front destruction strategy.

Danish Foreign Minister Begins 4-Day Visit

Talks Scheduled

OW2612082888 Tokyo KYODO in English 0730 GMT 26 Dec 88

[Text] Tokyo, Dec. 26 KYODO—Denmark's Foreign Minister Uffe Ellemann-Jensen will visit Japan January 4-8 for talks with his Japanese counterpart Sosuke Uno, the Foreign Ministry said Monday.

His wife Alice Vestergaard will accompany the Danish foreign minister, it said.

Ellemann-Jensen and Uno will meet on January 5 to discuss international, bilateral and economic affairs.

Defense, Other Issues Noted

OW0501092489 Tokyo KYODO in English 0754 GMT 5 Jan 89

[Text] Tokyo, Jan. 5 KYODO—Japanese Foreign Minister Sosuke Uno told his Danish counterpart Uffe Ellemann-Jensen on Thursday that burden-sharing in the Western alliance should not be measured wholly in terms of defense spending by member countries.

Uno, in a two-and-half-hour session with Ellemann-Jensen at the Foreign Ministry, said that cooperation in "peaceful areas" should be accepted as a component in the "burden-sharing" concept being promoted by the United States.

Ellemann-Jensen, who last visited Japan as foreign minister in December 1984, agreed with Uno that factors used to assess each member's contribution to the alliance should be expanded beyond the simple calculation of the percentage of gross national product (GNP) spent on defense, Japanese officials said.

The two agreed that such contributions as the provision of bases to allied forces, overseas developmental aid (ODA) and cooperation with the United Nations are important efforts toward preserving and encouraging peace.

Both foreign ministers hailed the direction in which Soviet leader Mikhail Gorbachev appears to be steering the Soviet Union, but added that it is still too early to pass judgment on the effect of his political and economic reforms.

They said that the West must continue to exercise caution while watching how Gorbachev's internal and external initiatives are implemented.

Uno told Ellemann-Jensen that Japan stands firm in its determination to gain the return to Japanese sovereignty of four Soviet-occupied islands off Hokkaido before signing a peace treaty with Moscow.

He also linked greater economic ties with the Soviet Union to the solution of the so-called "northern territories" issue.

Ellemann-Jensen said Denmark is particularly concerned about how Moscow intends to deal with the nearby restless Soviet Baltic republics of Latvia, Lithuania and Estonia, which have been pushing for greater autonomy from Moscow.

The Danish minister told Uno that the European Community's market integration, scheduled for completion in 1992, is not designed to inhibit free trade between the EC and the rest of the world.

Uno expressed Japan's hope that world trading blocs would not hinder its access to markets.

The meeting represented the first ministerial-level talks between Japan and Denmark since 1985 when then Japanese Foreign Minister Shintaro Abe visited Copenhagen.

Ellemann-Jensen will visit Osaka and Hiroshima on Friday and Kyoto on Saturday, before leaving Japan on Sunday.

Finance Minister on Smooth Tax Implementation
OW0501053189 Tokyo KYODO in English 0446 GMT 5 Jan 89

[Text] Tokyo, Jan. 5 KYODO—Finance Minister Tatsuo Murayama said Thursday his ministry will do its utmost to ensure the smooth introduction of a 3 percent consumption tax in April.

Murayama also told senior ministry officials that other important tasks in the year ahead are the early completion of the Fiscal 1989 national budget plan and the maintenance of international monetary policy coordination, including the stability of foreign exchange rates.

He said the tax reform must be implemented in such a way that people feel it is reasonable.

Referring to the current movements on foreign exchange markets, Murayama said exchange rates are showing the most stable movements since the Plaza accord in September 1985 among major industrialized nations.

He also pointed to the need to maintain policy coordination among the so-called Group of Seven (G-7) nations which comprises the U.S., Japan, West Germany, Britain, France, Italy and Canada.

Yonaguni Starts Direct Importing From Taiwan
OW2812130988 Tokyo NHK General Television Network in Japanese 0300 GMT 25 Dec 88

[Text] Based on the Okinawa Area Customs Office's action authorizing Yonaguni Jima to import daily-use commodities from Taiwan on a trial basis, the first shipment from Taiwan arrived in the Kubura Port of Yonaguni yesterday. The ship which brought the cargo from the Hualien Port of Taiwan to Kubura was the "No 8 Taihei Maru", 690 tons. The first shipment of imports was comprised of furniture, clothing, and such other daily-use commodities as toilet paper. The cargo was unloaded at the port and then reloaded on to trucks while concerned officials watched.

So far, importation of materials directly from Taiwan into Yonaguni has been authorized only for construction materials and not for daily-use commodities such as clothing products.

There have been strong requests filed by the residents of Yonaguni with the Okinawa Customs Office for authorization to import from Taiwan daily-use commodities such as food products which are fresh and inexpensive. In response to these requests, the customs office has decided to authorize the island to import daily commodities including clothing products but excluding foodstuffs. Mr Fuimaji, chairman of the Yonaguni Chamber of Commerce and Industry which has brought in the shipment, expressed his happiness about the realization of the importation, promising continued efforts for lowering of prices of commodities in Yonaguni.

The Yonaguni Chamber of Commerce and Industry will decide what it will continue to buy from Taiwan after reviewing the products shipped in yesterday.

This importation of products from Taiwan on a trial basis will be carried out at a rate of three times a month.

Foreign Reserves Increased in 1988
OW0501092189 Tokyo KYODO in English 0842 GMT 5 Jan 89

[Text] Tokyo, Jan. 5 KYODO—Japan's official foreign exchange reserves totaled 97,662 million dollars at the end of 1988, up 16,183 million dollars from a year earlier, the Finance Ministry announced Thursday.

The yearly increase of 16,183 million dollars in foreign currencies, gold and special drawing right (SDRs) was down from a 39,240 million dollar increase during 1987, the ministry said. The monthly growth in December was 515 million dollars.

The comparatively slow expansion reflects a "stable" yen-dollar exchange rate, the ministry said, which hovered within a narrow range of 16.35 yen throughout 1988, down from 37.35 yen the previous year.

Japan retained the no. 1 position in official foreign reserves for the 10th straight month, followed by West Germany and the United States.

Current Account Surplus Up 14 Percent in November
*OW2712142788 Tokyo KYODO in English 0953 GMT
27 Dec 88*

[Text] Tokyo, Dec. 27 KYODO—Japan's current account surplus increased 14.0 percent in November to 6,762 million dollars from 5,933 million dollars a year before, marking a year-on-year gain for the second consecutive month, the Ministry of Finance reported Tuesday.

Exports were up 18.8 percent to 22,180 million dollars and imports expanded 22.2 percent to 14,621 million dollars, resulting in a trade surplus of 7,559 million dollars against 6,695 million dollars in November 1987.

The trade surplus was 12.9 percent higher than the previous year for a year-on-year rise for the second straight month, though the actual figure was less than October's surplus of 9,064 million dollars.

A ministry official ascribed the rise in the current account surplus largely to steadily expanding exports and a contraction in the growth pace of imports as a result of lower crude oil prices.

The invisible trade account, including travel, was in the red by 560 million dollars against a surplus of 116 million dollars a year earlier, while the long-term capital balance was also in deficit by 9,855 million dollars against a 14,119 million dollar deficit a year before.

November's current account surplus—after seasonal adjustments—increased to 7,365 million dollars from 6,830 million dollars in October for the fifth straight monthly rise, the officials said.

Merchandise trade, invisible trade—such as freight, insurance and tourism—and unilateral monetary transfers make up the current account balance, the broadcast yardstick for measuring the international transfer of goods and services.

"Imports momentum has been really strong," the officials said, indicating that Japan's current account surplus will likely continue shrinking on a month-on-month basis if imports continue at their current brisk pace.

Imports of crude oil dipped 35.1 percent in volume terms in November from a year before due to prospects of lower prices. Prices of crude were down 31.6 percent from a year earlier, the officials said.

They noted that exports of steel, automobiles, office equipment, semiconductors and various electronic items showed sizable increases in November.

"The growth of exports outpaced that of imports temporarily in October, but that trend appears to have already been reversed, as evidenced by the vigorous imports in November," said one official.

The official also said imports of manufactured products, which accounted for 51.4 percent of the total imports in November, are likely to continue strong.

The 560 million dollar deficit in invisible trade in November was due primarily to active overseas traveling and spending by Japanese against the backdrop of the strong yen, the official said.

The unadjusted transfer account in November showed a 237 million dollar deficit, unchanged from the previous month, but down from a deficit of 878 million dollars a year earlier.

The long-term capital account was in deficit by 560 million dollars, reduced from a deficit of 1,415 million dollars in October, but up from a surplus of 116 million dollars a year earlier.

The comparatively high deficit in the long-term capital account was attributable to brisk Japanese investment in overseas securities, the officials said.

The overall balance of payments, including volatile short-term capital flows and statistical errors and omissions, swelled to a 478 million dollar surplus in November from a 5,420 million dollar deficit a year before.

Electronic Products Output Expected To Grow
*OW2212165088 Tokyo KYODO in English 0931 GMT
21 Dec 88*

[Text] Tokyo, Dec. 21 KYODO—Japan's output of electronic products is expected to grow 7.0 percent in 1989 from this year to 22,661.5 billion yen, the Electronics Industries Association of Japan said Wednesday.

The production of industrial electronic machinery such as computers and other office automation equipment will climb 8.7 percent to 10,717.5 billion yen, the association said.

Electronic parts including semiconductors will show a 6.1 percent gain, totaling 7,453.3 billion yen.

The production of semiconductors alone will rise 300 billion yen to 2,781.2 billion yen, accounting for 12.3 percent of the industry's total output.

Consumer electronic products like color tvs, video cassette recorders (VCRs) and stereos will total 4,490.7 billion yen, up 4.5 percent from this year.

Organized Labor Strength Down in Past Decade
OW2812111988 Tokyo KYODO in English 0818 GMT 28 Dec 88

[Text] Tokyo, Dec. 28 KYODO—Japan's organized labor has continued losing strength over the past dozen years, an annual Labor Ministry report released on Wednesday indicated.

Workers with membership in organized labor unions totaled 12,227 at the end of June, down 45,000, 0.4 percent, from 12,272,000 a year before. Japan's total employed reached 45.65 million, up from 44.48 million.

This meant the organization of labor among the employed hit an all-time low of 26.8 percent since the Labor Ministry began to compile the survey in 1947.

The previous low was 27.6 percent in 1987.

Similar figures were 32.6 percent in 1978, 31.6 percent in 1979, percent each in 1980 and 1981, 30.5 percent in 1982, 29.7 percent in 1983, 29.1 percent in 1974, 28.9 percent in 1985 and 28.2 percent in 1986.

The number of organized workers has leveled off at 12.2-12.5 million during the past decade, the report said.

Analyzing the continuous decline in organization of workers, Labor Ministry officials said young workers have lost interest in the labor movement and unions have failed to organize an increasing number of part-time workers.

The number of part-time workers whose working hours is less than hours a week increased to 5.06 million in 1987 from 3.12 million in 1977, the officials said.

Rengo, the Japanese Private Sector Trade Union Confederation, was Japan's largest labor organization with 5.33 million members as of last June. The figure accounts for 43.6 percent of all union members in the country.

There was no comparative figure for Rengo's membership a year before as it was formed in November 1987.

The second largest group was Sohyo, the General Council of Trade Unions of Japan, whose membership came to 3.98 million, 32.5 percent of organized labor.

Sohyo's membership declined from 4.07 million in 1987.

The third organization was Shinsanbetsu, the National Federation of Industrial Organizations, with 60,000 members, 0.5 percent of the total.

Rengo and Sohyo are scheduled to merge in the autumn of 1989 to unify Japan's labor front which has been divided since World War II.

Jichiro, the All-Japan Prefectural and Municipal Workers' Union, remained the biggest single trade union with membership at 1.25 million, a decline of 8,000 from a year before.

The confederation of Japan Automobile Workers Unions (Jidosha Soren) placed second at 704,000, the All-Japan Federation of Electric Machine Workers' Unions (Denki Roren) third at 678,000, the Japan Teachers Union (Nikkyoso) fourth at 647,000.

Fifth place went to the Japanese Federation of Textile, Garment, Chemical, Distributive, and Allied Industry Workers' Unions (Zensen Domei) which had 512,000 members.

Rengo issued a comment on the report and said that it is seriously concerned with the decreasing share of organized labor in the nation's working population.

Seigo Yamada, general secretary of Rengo, said there are growing difficulties in organizing workers because of the increasing number of part-time employees, many of whom are women and have not joined unions.

Yamada, however, said he hopes the merger between Rengo and Sohyo next year will reverse the trend and will help strengthen Japan's labor movement.

North Korea

U.S. 'Criminal Action' Against Libya Denounced
SK0501103089 Pyongyang KCNA in English 1016 GMT 5 Jan 89

["Brigandish Aerial Terrorism of U.S. Imperialism."—KCNA headline]

[Text] Pyongyang January 5 (KCNA)—The U.S. imperialists' carrier-based fighter planes "F 14" on January 4 fired missiles to bring down two Libyan fighters which were on routine duty in the air above the Mediterranean sea off Libya, according to a foreign press report.

This criminal action of the U.S. imperialists in broad daylight is a very grave military provocation against Libya, an outspoken encroachment upon the sovereignty and territorial integrity of the country and a brigandish act of international terrorism.

Now the situation in this region has become extremely strained and the developments are assuming a grave aspect due to the reckless anti-Libya moves of the U.S. imperialists who are crudely violating international law and even the elementary norms of the international relations.

The shooting down of the planes at a time when the U.S. imperialists are carrying on military manoeuvres in the sea off Libya after inventing a fictitious story that Libya is building up a factory for the production of chemical weapons, shows that their anti-Libya campaign is escalating gradually.

No one can vouch that the downing of planes today would not develop into a large-scale bombing raid on Libya tomorrow.

The U.S. imperialists are today employing a double-dealing tactics; while pursuing a smiling diplomacy with big powers with a talk about improvement of relations, they are openly threatening and blackmailing revolutionary countries. With such undisguised aggression and military provocation, they seek a sinister aim to bring Libya to her knees for courageously advancing along the road of anti-imperialism and independence, frighten progressive Arab countries and realise their ambition for domination of this part of the world.

The U.S. imperialists must act with discretion and immediately stop the brigandish machinations against Libya.

Daily Criticizes Lilley, Menetrey Remarks
SK0501050089 Pyongyang KCNA in English
0453 GMT 5 Jan 89

[Text] Pyongyang January 5 (KCNA)—Former U.S. Ambassador to South Korea Lilley and Commander of U.S. forces occupying South Korea Menetrey, spreading a fictitious rumour about "threat from the North", made a clumsy excuse to justify the occupation of South Korea by the aggression forces from the outside of the new year.

In this connection nodong sinmun today carries a signed commentary.

Lilley cried that as long as "threat from the North" exists and South Korean people "want", U.S. forces will remain in South Korea. And Menetrey babbled that "it is premature" to consider the reduction of U.S. forces in South Korea and it "could be considered" only after the relaxation of tensions.

Recalling that we are taking effective measures for peace in the country and its peaceful reunification, the commentary asks the aggressors if our peaceful efforts look like driving tanks and firing guns.

It continues:

Their utterances that the U.S. imperialist aggression forces remain in South Korea according to the request of the South Korean people are nonsense. In recent years we have witnessed the rapidly mounting struggle of the South Korean people for independence and reunification against the United States.

The U.S. imperialists have occupied South Korea to turn it into their colony and a springboard for the execution of their Asian strategy of aggression, and their aim remains unchanged.

By spreading a fictitious rumour about "threat from the North" and coiling up the situation from the outset of the year, the U.S. imperialists try to persist in their policy of occupation of South Korea, standing in the way of realisation of our proposals for peace and reunification.

With no sophism, however, can they justify their aggression forces' occupation of South Korea.

The U.S. imperialists must look squarely at the actual situation in Korea in which the tendency towards peace and reunification has become an irresistible trend, alter their anachronistic Korean policy and, as a manifestation of their readiness to do so, speedily accept, above all else, the proposal for tripartite talks we have made and take the road of withdrawing their forces and nuclear weapons from South Korea.

Paper Says Reagan 'Nuclear War Maniac'
SKG501101189 Pyongyang KCNA in English
1000 GMT 5 Jan 89

[Text] Pyongyang January 5 (KCNA)—NODONG SINMUN today comes out with a signed article entitled "Crime-Woven Record of Warmaniac".

Pointing out that Reagan's 8-year tenure of office was a down-the-line record of the aggressive and belligerent moves, the article says:

Reagan is a war-liker and nuclear warmaniac who has persisted in the most adventurous aggressive and belligerent manoeuvres among the successive presidents of the United States.

He expanded the U.S. nuclear armament on an unprecedented scale in history.

During his term of office the U.S. annual military expenditure snowballed rapidly to the level of almost 300,000 million dollars. In this period, he has disbursed over 2,300,000 million dollars for arms buildup.

He is a brigandish aggressor, a truculent organiser and chieftain of international terrorism, who committed all manner of aggression, intervention, sabotages and subversive activities throughout the world.

His policy of state terrorism was stepped up worldwide, not confined to a specific continent or region.

He is the deadly enemy of the Korean people who has resorted during his tenure to every conceivable scheme to disturb peace in Korea and obstruct her peaceful reunification and ignite another war in Korea by increasing the tensions on the Korean peninsula.

After his assumption of office, Reagan, while further reinforcing the aggression forces in South Korea, intensified such provocative joint military exercises of the U.S. forces and the South Korean puppet Army as the "team spirit" and staged war gambles against the North one after another.

He rigged up the No Tae-u puppet regime in South Korea to keep up the military fascist rule, and encouraged the puppet clique to hasten the creation of "two Koreas" intended to perpetuate the division of Korea with the vociferous advertisement of the "northern policy."

During his term, Reagan persistently worked with blood-shot eyes for another war and committed aggressive and interventionist moves and state terrorism on the one hand, and, on the other, he tried hard to cover his career with the veil of "peace," "freedom" and "anti-terrorism."

His 8-year tenure, a record of crimes, shows that the more the U.S. imperialists become desperate, the deeper they land themselves in an inextricable quandary.

Youths in South Attack U.S. Army Unit
SK0501101689 Pyongyang KCNA in English
1008 GMT 5 Jan 89

[Text] Pyongyang January 5 (KCNA)—A group of youths in Taegu, South Korea, attacked a rear gate of a unit of the U.S. imperialist aggression Army on December 26 last year, according to a report.

Three young people pasted two sheets of imitation paper inscribed with "Warning to the U.S. troops, the Yankee aggressor" on a busy road and then approached the rear gate and hurled Molotov cocktails into the barracks before vanishing.

This sent a tremor through the U.S. imperialist aggressors who are committing all sorts of crimes, lording it over in South Korea.

Daily Denounces South Remarks on North
SK0501044489 Pyongyang KCNA in English
0434 GMT 5 Jan 89

[Text] Pyongyang January 5 (KCNA)—The traitor No Tae-u, the puppet speaker of the National Assembly, the "president of the Supreme Court," the "chairman of the Democratic Justice Party," the puppet defence minister and other bosses in South Korea revealed their criminal attempts to legitimize and fix the division of the country

on the international arena while groundlessly speaking ill of us and vociferating about "threat from the North" from the beginning of the new year.

Noting that the puppets are inciting confrontation and preaching division at a time when the DPRK is calling for a substantial progress in guaranteeing peace in the country and accelerating its peaceful reunification in the new year, a signed commentary of NODONG SINMUN today terms this a heinous challenge to the DPRK and a run against the trend of the times toward the reunification.

It says:

It is all the more exasperating that the puppets openly revealed their attempts to mount an offensive of a fascist crackdown against the patriotic democratic forces who call for independence, democracy and reunification.

Typical of it is the fact that no sooner had the first morning of the new year dawned upon than the traitor No Tae-u began with his bluster that "illegal actions would be dealt with stringently" and the puppet president of the Supreme Court mentioned "constitutionalism."

In actuality, the puppets whisked away to the police 22 workers of the Angang factory of the Pungsan Metal Co., running wild from the outset of the new year with blood-stained swords drawn.

Facts clearly suggest that the No Tae-u group intends to step up the moves toward confrontation and division and intensify fascist crackdown on the people in the new year, too.

The criminal manoeuvres of the puppets will only precipitate the destruction of the colonial dictatorship "regime" itself.

Paper Cited on Japan's History 'Distortion'
SK0501101489 Pyongyang KCNA in English
1005 GMT 5 Jan 89

[Text] Pyongyang January 5 (KCNA)—THE NEW YORK TIMES in its recent issue pointed out that the Japanese reactionaries in history textbooks freely distorted historical facts such as Japanese imperialists' aggression on Korea. Noting that Japan ignores the shameful history of her past days, the paper cited for example the distortion of facts in history textbooks of Japan. Bringing to light the distorted description of the Japanese imperialists' aggression and "annexation" of Korea in those textbooks, it said they keep mum about the Korean people's powerful struggle against the Japanese imperialists' occupation, the Japanese imperialists' repressive act to obliterate the language and culture of Korea and mobilization of a large number of Koreans in forced labour in their slavery.

It carried illustrations exposing the Japanese imperialists' aggression and occupation of Korea.

Special Envoy of Bangladesh President Arrives
SK0501041289 Pyongyang KCNA in English
1522 GMT 4 Jan 89

[Text] Pyongyang January 4 (KCNA)—Kazi Zafar Ahmed, deputy prime minister and minister of information, who is a special envoy of Hussain Mohammad Ershad, president of the People's Republic of Bangladesh, and his party arrived here today by air.

They were met by Vice-Premier Chong Chun-ki, Vice-Minister of Foreign Affairs Cha Pong-chu, and other officials concerned.

Holds Talks With Chong Chun-ki
SK0501102089 Pyongyang KCNA in English
1010 GMT 5 Jan 89

[Text] Pyongyang January 5 (KCNA)—Talks between Vice-Premier Chong Chun-ki and Kazi Zafar Ahmed, deputy prime minister and minister of information, who is a special envoy of the president of the People's Republic of Bangladesh, were held today at the Mansudae Assembly Hall.

Present at the talks on the DPRK side were Vice-Minister of Foreign Affairs Cha Pong-chu and other officials concerned and on the opposite side were the entourage of the special envoy and the charge d'affaires ad interim of the Bangladesh Embassy here.

The two sides exchanged views on a series of issues of mutual concern.

The talks proceeded in a friendly atmosphere.

Chong Chun-ki Hosts Reception
SK0501043689 Pyongyang KCNA in English
0430 GMT 5 Jan 89

[Text] Pyongyang January 5 (KCNA)—The Government of the Democratic People's Republic of Korea hosted a reception in Pyongyang on January 4 for the special envoy of president of the People's Republic of Bangladesh and his party on a visit to Korea.

Speaking at the reception, Vice-Premier Chong Chun-ki said that the special envoy's visit is a good start promising the development of the friendly relations between the two countries this year.

Pointing to the significant success now made by the Bangladesh people in the building of a new society under the leadership of respected President Hussain Mohammad Ershad, he stated that the Korean people wish the Bangladesh people greater success in their work for the prosperity of the country and the nation.

Special envoy Kazi Zafar Ahmed, deputy prime minister and minister of information of Bangladesh, spoke next.

He said that he was visiting Korea with sincerest wishes of the president, government and people of the People's Republic of Bangladesh for the great leader His Excellency President Kim Il-song.

Noting that he saw at first hand enormous achievements made by the Korean people in the political, economic, cultural and all other fields under the wise leadership of the great leader His Excellency President Kim Il-song, he expressed the belief that he would witness excellent successes made by the Korean people during the current visit.

*** No Movement Reported on Debt Owed to Sweden**
36500040 Stockholm DAGENS NYHETER
in Swedish 14 Dec 88 p 12

[Text] No progress was made in the Export Credit Board's attempt to get back a little over 900 million [Swedish] kronor from North Korea. After several days of negotiations, the representatives from North Korea's state bank, Moyok, returned home. Ragnar Sohlman, director of the Export Credit Board, who led the negotiations, is not prepared to give up, however. "A state can never accept that another state will not pay its debt. The question is when, and we are going to continue discussing and meeting with each other now and then." Representatives from North Korea were willing to pay a "symbolic" amount so that the Export Credit Board would go along with additional credits, but the Board said no.

South Korea

South To Reduce Scale of 'Team Spirit'

Gesture Assesses as 'Symbolic'
SK0501030989 Seoul YONHAP in English
0253 GMT 5 Jan 89

[Text] Seoul, Jan. 5 (YONHAP)—In a symbolic gesture to promote its dialogue with North Korea, South Korea has decided to reduce the scale of its annual joint military exercises with the United States this year.

Also, the South Korean Government is seriously considering discontinuing the "Team Spirit" exercises beginning in 1990.

"As the North has made it the precondition for inter-Korean dialogue through the latest contact of parliamentary delegates as well as Kim Il-song's new year message, we are seriously considering discontinuing team spirit to continue to promote the dialogue," a government official said Thursday.

"As the first step, we decided to symbolically reduce the scale and cut short the length of the training scheduled for the early half of this year," the official said on condition of anonymity.

The official said the government will also refrain from massive publicity of the maneuvers through news media. "We decided to postpone the announcement of the training schedule, which has been made in early January, until the end of the month," he said.

"I understand that the government will discuss with the United States the discontinuance of team spirit beginning in 1990 through the annual security consultative meeting," the official said. "It is all in accordance with our government's determination to improve inter-Korean relations."

The government will reduce by 10,000 the number of U.S. and South Korean troops participating in the joint training exercises this year while shortening the duration of the training by half a month, sources said.

Since 1975, 150,000 to 200,000 South Korean and U.S. troops have taken part each year in the annual defensive war game conducted from early February to mid-April.

Postponement Suggested

SK0501091789 Seoul YONHAP in English
0851 GMT 5 Jan 89

[Text] Seoul, Jan. 5 (YONHAP)—South Korean Defense Minister Yi Sang-hun formally proposed Thursday to the U.S. military authorities that the two countries postpone till one month later the announcement of the schedule for their annual joint military training exercises.

In a letter to Gen. Louis Menetrey, commander of the U.S. Forces in Korea, Yi offered to postpone the announcement of the training schedule, which has originally been slated for Jan. 25, until late February "in consideration of our government's (South Korean Government) efforts to resume the inter-Korean dialogue."

Yi added that he does not expect a postponement in the announcement date will lead to a change in the combat training schedules.

The annual joint military exercises, dubbed "Team Spirit," have been conducted from late January to mid-April with combat training during the last two weeks of March.

A government official who requested anonymity said earlier Thursday that the government intends to scale down this year's Team Spirit exercises by reducing by 10,000 the number of participating troops and shortening the duration of the training to about two weeks.

The official said the government is also seriously considering discontinuing team spirit beginning in 1990.

The official said South Korea will also refrain from the usual publicity efforts through news media and postpone the announcement of the training schedule.

He said the government decision was in accordance with its determination to promote inter-Korean dialogue, noting that North Korea has repeatedly demanded as a precondition to the inter-Korean dialogue that the South Korea-U.S. joint military exercises be terminated.

RDP Leader Opposes Talks With Kim Il-song SK0501055589 Seoul YONHAP in English 0526 GMT 5 Jan 89

[Text] Seoul, Jan. 5 (YONHAP)—Opposition leader Kim Yong-sam said Thursday he opposes North Korean leader Kim Il-song's proposal for a South-North Korean political conference to discuss reunification of the two Koreas.

"I plainly oppose handling the South and North Korean question at such meetings as the political conference proposed by President Kim Il-song in his new year message," The president of the opposition Reunification Democratic Party (RDP) said in a new year press conference.

He also warned against what he called North Korea's "political tactics" of using the reunification issue to disrupt unity in South Korea.

The RDP president, however, expressed his willingness to meet with Kim Il-song to discuss ways to resolve inter-Korean issues.

The North Korean leader said on Sunday that he invites South Korean President No Tae-u and six other individuals, including such political leaders as Kim Tae-chung, Kim Yong-sam and Kim Chong-pil, and such religious figures as Stephen Cardinal Kim Su-hwan, to a political conference in the near future to discuss reunification of the divided Korean peninsula.

The ruling and opposition parties have already rejected the proposal, terming it "a highly politically motivated trick, lacking purity."

On domestic political issues, the RDP leader again called on President No to conduct an interim appraisal of his presidency.

He also said topics of the interim evaluation of No's Presidency should be his achievements toward democratization and eradication of negative legacies of former President Chon Tu-hwan's era.

"The interim appraisal was not raised as a demand by the opposition but was raised by No himself as a pledge to the people during the presidential election campaign," he said.

"So all issues regarding the interim appraisal cannot be subjects of political bargaining between the ruling and opposition parties but should be handled based on political morals and sense," Kim said.

However, he said that the timing and method for conducting the evaluation are for No to decide.

Touching on the controversial issues surrounding Chon, Kim reiterated that the former president should attend hearings of the National Assembly special panels probing the wrongdoing perpetrated during Chon's seven-year rule.

Chon went into rural internal exile last November as atonement after apologizing for misdeeds during his presidency and surrendering his wealth to the state.

Kim demanded that President No expel core Chon confidants, who he said have held government posts in the new republic, from their current positions.

The RDP leader also called for cooperation between the three opposition parties to effectively handle pending political issues, including the interim appraisal, "northern" diplomacy, South-North Korean dialogue, operation of the National Assembly, the revision or abolition of undemocratic laws and settlement of the Chon problem.

The opposition parties have a combined majority of seats in the unicameral National Assembly.

FKI Chairman Seeks More North Korean Imports
SK0501011689 Seoul THE KOREA TIMES in English
5 Jan 89 p 6

[Text] Ku Cha-kyong, chairman of the Federation of Korean Industries [FKI], said that domestic business circles should import more from North Korea to realize economic and trade exchange between the south and north.

In a New Year's press conference at the federation yesterday, he maintained that more imports from the north would convince Pyongyang of the necessity of economic and trade relations with the south.

The leader of the FKI, the nation's largest privately-based economic organization, pointed out that exports of such products as electronics and computers to the north would be impossible for the time being in consideration of North Korean economic conditions.

He also said that the participation in the North Korean development of Mt. Diamond by local business concerns is not feasible at present because there are no economic and trade relations between the south and north.

Touching on economic and trade exchange with Communist countries besides North Korea, he said that the establishment of joint ventures with them still faces various obstacles and should be carefully dealt with in the days ahead.

Instead, he maintained that merchandise trade with them should be expanded to diversify the nation's export markets as well as to tide over the ever-growing trade protectionism in the free world.

Ku, in particular, insisted that domestic business concerns should avoid excess competition in advances into Communist countries with which the nation maintains no diplomatic relations.

As for Siberian development projects by the Soviet Union, he advised local industries to take part in them jointly with American or Japanese businesses in a bid to avoid risks.

He deplored that business concerns triggered off a "Chinese boom" last year due to their excessive interest in the Communist country.

Revealing that only a few businesses realized their advance into China, the Soviet Union and other Communist countries, he insisted that business circles should be considerate in the opening of economic and trade relations with the Communist world.

The FKI chairman called upon the International Private Economic Council which was created in the second half of last year to deal with economic and trade cooperation with Communist countries to enhance its role to prevent local business concerns from engaging in hectic competition to advance into Communist nations.

With regard to the nation's economy this year, he predicted that the gross national product (GNP) would not grow above 8 percent, a far cry from last year's 12.1 percent, due to the continuing won appreciation against the U.S. dollar and wage increases entailed by labor disturbances. On the other hand, he suggested that exports would be less than the \$70 billion estimated by the government because of growing trade barriers by advanced countries against the import of Korean products.

To make up for the worsening export conditions, he said that business concerns would concentrate efforts on the expansion of domestic sales as well as on the exploration of Communist markets.

Noting that the United States and other advanced countries would step up pressure to open domestic markets including agricultural products and services, he called upon the government to introduce a free market economic system.

He also said that the collection of political funds by business circles should be formalized in order to get rid of the complicity seen hitherto between business and politics.

He disclosed that his federation is now discussing how to distribute such funds to political parties.

Foreign Minister on New Bush Administration
SK0501014689 Seoul THE KOREA HERALD in English
5 Jan 89 pp 1, 5

[Interview with Foreign Minister Choe Ho-chung by staff reporter Kim Hye-won: "Seoul Urges Early ROK-U.S. Summit on Security Ties, Trade Expansion"]

[Text] Foreign Minister Choe Ho-chung has called for a positive response from the new Bush administration in the United States to the Korean government's initiative for a summit meeting between the two countries in the near future.

Minister Choe said close consultations between the two governments, particularly at a high level, would be mutually beneficial, particularly when it is essential for both countries to make necessary arrangements to improve security ties and for continued expansion of bilateral trade.

However, he said it will take some time for both governments to agree on a detailed summit agenda, given the transition of the new U.S. administration.

"We would welcome an opportunity for the leaders of our two countries to meet each other and exchange views on a wide range of issues in the near future," Choe told the KOREA HERALD in an exclusive new year interview.

He forecast a "very dynamic" Foreign Ministry this year considering political and economic developments at home and improvement of East-West relations abroad, which he believes will expand the policy options available to Korea, requiring new foreign policy initiatives.

Choe, however, does not predict any drastic change in the security relationship between Korea and the United States although necessary adjustments can be made according to changing situations.

"In view of the international situation surrounding the Korean peninsula, the close combined defense posture between Korea and the United States will continue to be an important factor to maintain peace not only in this region but also all over the world," he said.

The minister also made clear the government position to accommodate, as much as it can, the requests of its trading partners to play a more responsible role in the world economy commensurate with its economic strength.

As a way to solve pending trade issues, he said, the government will continue an ongoing policy of diversifying export markets and import sources. Increased trade with socialist countries will also help to diversify Korean trade, Choe said.

The foreign minister was optimistic about the prospect of the northern policy of the government on the ground of the new mood of detente in East-West relations and the growth of Korea's economic and diplomatic resources.

He said the government will step up efforts to expose the issues of foreign policy to the people and promote public discussion on those issues to build a national consensus on foreign policy.

Following is the text of the questions and answers of the Choe interview:

[Kim] What are the goals and the priorities of the Korean foreign policy this year?

[Choe] There will be both continuities and new initiatives in the goals of our foreign policy in the new year. New initiatives are more visible, and get more public attention. In relations among countries, however, continuity is as important.

The most important goal of our foreign policy has been to maintain peace on the Korean peninsula. For this, we have developed very close and mutually beneficial relations with the United States, Japan, Western Europe and the Third World countries. These relations will continue to be emphasized.

Last year, President No Tae-u took important initiatives for improving relations with North Korea, China, the Soviet Union and other East European countries. The initiatives were taken at a most opportune time, in view of the improving East-West relations and the worldwide attention on Korea for the Seoul Olympics. We made steady progress in improving our relations with these countries last year. We will put even more emphasis on the so-called "northern policy" this year.

In this connection, there should be a clear understanding on the goals of the northern policy we pursue. We do not propose to improve our relations with these countries to aggravate the isolation of North Korea. Far from it, we are ready to help North Korea to improve relations with our traditional allies so that it could join the international community as a responsible member. We pursue northern policy, for the mutual benefit of South and North Korea, and so that it will ultimately lead to national reunification.

Another issue Korean foreign policy will have to deal with in the new year is that of the international economy. There is a prevalent perception that protectionism is on the rise the world over. Korea is under particularly heavy pressure from developed countries to do more in terms of market liberalization, currency appreciation and contribution to the development of the world economy.

These pressures are made partly because of our economic growth, and partly because of exaggerated expectation or ignorance about the economic situation and

policies of Korea. We will make more efforts to reduce the pressures to maintain the free and fair trading system and to make contribution to the world economy commensurate with our economic capabilities.

Political and economic developments at home and improvement of East-West relations abroad require our foreign policy to take new initiatives. At the same time, these changes significantly expand the policy options available to us. These are encouraging developments for our foreign policy, and I am looking forward to heading a very dynamic Foreign Ministry in the new year.

[Kim] The Bush administration will be inaugurated in the United States this month. It seems that many issues have been arising in the Korea-U.S. relations. Does the government have any plan for a summit meeting between the two leaders of Korea and the United States?

[Choe] I believe that we can't emphasize too much the importance of the Korea-U.S. relations. The traditional friendly ties between Korea and the United States have greatly served the common interests of both countries. The sound relationship between the two countries is vital both to the security and to continued economic growth of our country. The Republic of Korea becomes increasingly an important ally of the United States.

I have observe that recently many ideas and suggestions are being expressed on the future path of the Korea-U.S. relationship both in Korea and the United States. Domestic situation of each country and overall international environments are rapidly changing in recent years.

I think both governments of Korea and the United States have to deal with many new challenges stemming from new environments. To cope with these challenges, it is essential for both countries to make necessary arrangements for improving the security cooperative ties and continued expansion of the bilateral trade. Increased self-confidence of the Korean people requires us to make more efforts to develop the Korea-U.S. relations on a more mature and equal basis.

However, the bedrocks of the Korea-U.S. relations are solid, and any major change in the U.S. policy toward Korea is not expected in the new administration of the United States. Now, the question is just how to tune our policies in a desirable direction.

In this regard, we are of the view that close consultations, at this time, between our two governments, particularly at a high-level will be very helpful in enhancing the mutual benefits of Korea and the United States. We would welcome an opportunity for the leaders of our two countries to meet each other and exchange views on a wide range of issues in the nearest future.

Given the transition of administration now under way in the United States, it will take some time for both two governments to agree on a detailed program of such a meeting. We expect a positive reponse of the new administration of the United States to that idea.

[Kim] Many forecast drastic changes in the arrangement of security relations between the United States and Korea. How do you think the changes will be made?

[Choe] The security relationship between Korea and the United States is the most essential factor for maintaining peace on the Korean peninsula and in Northeast Asia. Necessary adjustments can be made in the relationship, but I do not see the need for any drastic change. In view of the international situation surrounding the Korean peninsula, the close combined defense posture between Korea and the United States will continue to be an important factor to maintain peace not only in this region but also all over the world.

[Kim] What are the strategies of the Korean government to cope with the increasing trade frictions with the United States and other countries?

[Choe] It is a general perception that international trading environment is getting worse. Businessmen, scholars and bureaucrats in developing countries are expressing much worry over the Omnibus Trade Act of the United States, the single European market to be completed by 1992 and the free trade agreements. These measures, they are afraid, conflict with the spirit of free and fair trade. We should be prepared to cope with these challenges with a forward-looking posture.

In dealing with trade issues, we should remember that we are under increasing pressure from the world community to play a more responsible role for world economy commensurate with our economic strength.

There has been a consensus in Korea that market economy and free trade are the best options for progress for such a country as Korea, which is endowed with poor national resources. On this basis, the Korean government has consistently pursued trade liberalization policy over the past years. Our economic growth depends to a large extent on foreign trade. And, trade is not a one-way traffic. We should exert best efforts to accommodate, as much as we can, the requests of our trading partners.

We should solve pending trade issues through dialogue and in the spirit of cooperation. Confrontational approach to trade issues will serve nobody's interests.

At the same time, the on-going policy of diversifying export markets and import sources will continue to be pursued. The increased trade with socialist countries will also help to diversify our trade.

Korea will also continue to actively participate in the Uruguay round of multilateral trade negotiations as we believe closer multilateral cooperation among trading nations is essential to improving world trading environment.

[Kim] What are the rationale and objectives of the "northern policy"?

[Choe] "Northern policy" refers to all efforts to improve relations with China, the Soviet Union and other eastern block countries. Its ultimate objective is to create a peaceful environment on the Korean peninsula and foster favourable conditions for peaceful reunification of Korea.

President No Tae-u made a special statement on July 7, 1988. In the statement, President No made it clear that we do not seek confrontation with, or isolation of north Korea. On the contrary, we are ready to help north Korea to improve relations with our allies.

We are optimistic about the prospect of the northern policy in view of the new mood of detente in the East-West relations and the growth of our economic and diplomatic resources.

The year 1988 saw a big breakthrough in our northern policy. Apart from the establishment of official relations with Hungary, many exchanges and contacts were made in various fields with socialist countries. Korea Trade Promotion Corporation exchanged offices with the Chamber of Commerce and Industry of Yugoslavia, and agreed to do the same early next year with its counterparts in the Soviet Union, Poland and Bulgaria.

I hope that north Korea would also participate in the worldwide trend of reconciliation and reform so that we can start a truly meaningful process of dialogue and national reconciliation.

[Kim] Do you have any plans to meet foreign ministers of our allies, including the United States and Japan, in the near future to strengthen the ties with the countries?

[Choe] I think foreign ministers' meeting is an effective way of exchanging views, discussing common problems and strengthening friendship. The mainstay of our foreign policy is to maintain strong bond of friendship and cooperation with western democracies with which we share political values, economic interests and far more.

Early this month, I am going to attend the Conference of State Parties to the 1925 Geneva Protocol and of other interested states to be held in Paris. The conference is to discuss effective means to ban the production and use of chemical weapons. More than 160 countries are to attend the conference, most of them above foreign minister's level. I am looking forward to seeing many foreign ministers at the Conference, including Secretary Shultz of the United States and Minister Uno of Japan.

[Kim] What would you do to build up the national consensus in foreign policy?

[Choe] I believe foreign policy of a nation can be most effective only when it enjoys the understanding and support of its people.

We often say that domestic disputes should end at the seashore of a nation. That cannot always be the case, but experience in diplomacy convinces me that political, economic and social stability at home is sine qua non for effective diplomacy.

Recently it has become far easier to travel abroad, and more and more people are actually making foreign trips for various purposes. It seems Korea has also entered a new era of active "people's diplomacy," and it is all the more reason why national consensus assumes such an importance in our foreign policy.

To build up national consensus in foreign policy, the government will step up efforts to expose the issues of foreign policy to the people and promote public discussion on those issues.

It is encouraging that there is suprapartisan support for our foreign policy at the National Assembly. The government will make more efforts to maintain such a relationship with the National Assembly. The government is always ready to discuss with, and consult politicians over important foreign policy issues.

[Kim] The Seoul Olympics showed us that sports and culture were efficient tools of diplomacy. Do you have any plan to put more emphasis on cultural and sports diplomacy?

[Choe] The successful hosting of the Seoul Olympics and the various cultural events held at the time provided a good opportunity for us to show to the international community our history, culture and tradition. After the Olympic Games, I was delighted to find that Korea became a far better known country to peoples of the world.

We want to take advantage of such an opportunity and put more emphasis on cultural and sports diplomacy. After all, understanding about each other's culture is indispensable for development of deep relations between countries.

In this connection, I would like to promote sports exchanges with many countries including the Soviet Union and East European countries. In parallel with this, we would like to participate more actively in sports-related international organizations.

Foreign travel has been significantly liberalized recently, and more and more people are making trips abroad for various purposes. This is creating a favorable atmosphere for conducting so-called "people to people diplomacy." Cultural exchange, of course would have to be an

important part of "people to people diplomacy," which is a welcome complement to cultural diplomacy conducted at the government level.

Government To Liberalize Imports of U.S. Films
SK3112050988 Seoul THE KOREA TIMES in English
31 Dec 88 p 9

[Text] Korea will liberalize the import of U.S. films from Jan. 1, 1994, resolving one of the major issues in the trade friction with the United States, but a stormy future is forecast for the domestic film market.

Under a final agreement, reached between Korean Ambassador to the United States Pak Tong-chin and U.S. Trade Representative Clayton Yeutter concluded by exchanging letters at 5 a.m. this morning (KST), U.S. films will be allowed free import starting in 1994, and the current recopy ceiling on American films will also be lifted.

Currently, the government allows only 10 copies out of one master film, but under the new agreement, the recopy ceiling will be increased to 12 and will increase by one every year.

Coming more than two months after both sides reached a consensus on the sticky issue last October, the agreement also calls for shortening the government Performing Arts Commission's current film screening period that takes as long as 90 days to two weeks.

Specifically, the government's pre-screening period will be scaled down to 10 days with additional four days for the main screening process.

But the two-tier screening will be streamlined, effective Jan. 1, 1990 with the combined pre-screening and main screening periods shortened to 10 days.

The exact timing of free imports of U.S. films and that of the lifting of the recopy ceiling have been the big obstacle in film negotiations between Seoul and Washington.

Korea and the United States agreed in principle on the opening of the Korean film market to U.S. films in December, 1985, but controversy over the two problems stood in the way of speedy negotiations.

The American Film Export Association filed suit with the U.S. Trade Representative against the Korean film market under Article 301 of the U.S. Trade Act on Sept. 15 this year.

The association repealed the action on Oct. 28 this year as Seoul and Washington negotiators narrowed their differences over the issue in a joint trade conference during Oct. 24-27.

With the settlement of the film import question coming on the heels of the conclusion of disputes over the opening of the local market to the U.S. insurance business and cigarette imports, the major pending trade issues for this year have been resolved, a Foreign Ministry spokesman said.

Assistance in Libyan Plant Building Denied
SK0501031489 Seoul YONHAP in English
0304 GMT 5 Jan 89

[Text] Seoul, Jan. 5 (YONHAP)—A high-ranking official at the Construction Ministry on Thursday denied as "groundless" a published report that South Korean construction companies had participated in building chemical weapon plants in Libya.

"The report that Korean companies operating in Libya had taken part in construction of chemical weapon plants is groundless," the official said.

"Four companies, Dong Ah, Hyundai, Daewoo and Samsung are operating in Libya. Among them, Daewoo is engaged in construction near the area where the chemical weapon plants are reportedly being built," he said.

However, the official said on condition of anonymity that Daewoo is building schools, hospitals and other ordinary facilities, rejecting the possibility of Daewoo's involvement in the construction of controversial chemical weapon plants.

The four Korean contractors also denied the report.

THE WASHINGTON POST reported on Wednesday quoting an Iraqi living in London who spoke to DIE WELT, a West German magazine, that companies from South Korea were involved in the construction along with firms from Japan, Austria, Switzerland, and East and West Germany.

Government May Issue Visa to JSP's Doi
SK0501020089 Seoul YONHAP in English 0141 GMT
5 Jan 89

[Text] Seoul, Jan. 5 (YONHAP)—The South Korean Government may issue a visa to Takako Doi, chairwoman of the Japan Socialist Party (JSP), foreign minister Choe Ho-chung said Wednesday.

"The Foreign Ministry will have a working-level conference with the Justice Ministry so that the JSP chairwoman can visit Seoul as early as possible," Choe told opposition leader Kim Yong-sam.

Kim, president of the Opposition Reunification Democratic Party (RDP), requested the ministry's cooperation in realizing Doi's visit to Seoul.

Her visit to Seoul, if realized, will be the first here by a JSP chairwoman. Doi was reportedly invited to visit South Korea by Kim Yong-sam.

The JSP has maintained a pro-North Korean policy since the division of the Korean peninsula in 1945.

Masashi Ishibashi, Doi's predecessor, made a private visit to Seoul last October at Kim's invitation.

BOC Opens Letter of Credit With Seoul Bank
SK0501030089 Seoul YONHAP in English 0236 GMT 5 Jan 89

[Text] Seoul, Jan. 5 (YONHAP)—The Bank of China (BOC) opened a letter of credit (l/c) on Tuesday with the Bank of Seoul, financial sources said Thursday.

The l/c marks the second time that China's central bank has opened a letter of credit here following one with Korea's foreign exchange bank on Dec. 21.

Meanwhile, the BOC signed correspondent agreements with the Bank of Seoul, a commercial bank, and the foreign exchange bank in November. Under the accords, Korean banks can engage in foreign exchange transactions with the BOC head office as well as its 12 branches.

China, taking into account North Korea's position, has handled foreign exchange transactions with South Korea via branches of U.S. or Japanese banks, while the BOC has continued to open letters of credit via its Tokyo and Los Angeles branches after signing the correspondent agreements.

By opening letters of credit between the two countries, brisk mutual trade is expected, boosted by facilitated settlement of trade, less hours necessary for settlement, and savings on commissions resulting from the use of banks of third countries, according to the sources.

The l/c established by the BOC Qingdao branch with the foreign exchange bank in December was for 100,000 kilograms of silk with polyester worth 163,000 U.S. dollars. The item was to be exported by Korea's Samsung Co. to the China national textiles import and export corporation.

Meanwhile, the l/c opened by the BOC Dairen Branch with the Bank of Seoul was for 125,000 yards of synthetic fibers worth 125,000 dollars. The fibers will be exported by Korea's Kolon International Corp. to the China national textiles import and export corporation, the sources said.

Radical Students Attack DJP Changwon Office
SK0501011289 Seoul THE KOREA TIMES in English 5 Jan 89 p 3

[Text] A group of radical university students raided the provincial district chapter office of the ruling Democratic Justice Party in Kyongsangnam-to early yesterday morning.

No injuries were reported in the raid.

Four students of Kyongnam University in Masan including Pak Sang-uk, 24, a history senior, attacked the Changwon District Chapter Office of the government party at Yongji-tong, Changwon, at about 8:40 a.m. yesterday.

Police said that the activist students demanded the immediate arrest and stern punishment of the former president Chon Tu-hwan and his successor No Tae-u, occupying the office for roughly 50 minutes.

Riot Police End Student Protest; No Injuries
SK0501015489 Seoul THE KOREA HERALD in English 5 Jan 89 p 3

[Text] Police moved on to the campus of Myongji University in western Seoul early yesterday morning to drive out 29 demonstrating students who had been occupying the school president's office since Dec. 28.

All the students, including Chang Pong-su, a 21-year-old business administration junior who heads the students association at the university's Yongin campus, were taken to Sobu Police Station for questioning.

A police officer at the station said arrest warrants will be requested for all those involved in violent protests during the eight-day seizure of the office.

The police intervention, the first against campus unrest since the government's shift to a tougher stance on violent collective protests, was made at the request the previous day of school president Yu Sang-kun, the police officer said.

Police mobilized about 400 riot policemen for the early morning blitzkrieg, which began at 5 a.m. No injuries were reported, however.

The students, all attending courses at Myongji's Yongin campus, stormed the president's office Dec. 28 in protest over the school's plan to open its Seoul campus for daytime courses.

The Seoul campus of the private university has to date had only evening courses, but school authorities plan to establish daytime courses, starting 1990.

A school spokesman said Yu made the request for police intervention because the protesting students were trying to impede the distribution and receipt of application forms for the 1989 entrance examination.

Chon Should Assume Responsibility for Kwangju

Victim's Compensation Urged

SK3112023488 Seoul THE KOREA TIMES in English
31 Dec 88 p 2

[Text] Ruling party chairman Pak Chun-kyu has said that former president Chon Tu-hwan should be held responsible for the 1980 Kwangju bloodshed and the government should indemnify victims of the incident for their human and financial losses.

His remark quickly aroused controversy within the Democratic Justice Party but got a rare welcome from opposition parties which have asserted Chon's responsibility and demanded government indemnity as part of steps to restore the honor of Kwangju protesters, once formally called rioters.

Pak said in an interview with a vernacular newspaper Thursday that Chon, then the "core figure of power" in charge of civil and military intelligence agencies, should assume "overall" responsibility for the military suppression of the popular uprising. At least 192 died during the 10 days of turmoil.

"Now that the armed protest has been officially defined as a movement for democracy under the No Tae-u administration," he went on, "It is desirable that the government acknowledge its faults and indemnify those who fell victim to the military step."

The utterance strikingly contradicted with a long-held government position that the bloody operation was an inevitable and lawful attempt to restore order in the southern city under the state of martial law, though there was excessive action in an initial operation.

Therefore, the No administration has just proposed compensation as a neutral trouble-shooter, not indemnity from an unlawful assailant, while Kwangju citizens, to justify their massive protest, demanded indemnity, no matter how much the amount may be.

DJP executives yesterday accused Pak of making the sensitive remark implying the significant change in the definition of the Kwangju turmoil without fully discussing it with other party leaders.

Spokesman Pak Hui-tae described the remark just as the new chairman's personal viewpoint and explained that Pak might have ignored the delicate legal difference between "posang" (compensation) and "paesang" (indemnity).

Rep. Yi Min-sop, the DJP-side vice chairman of the Assembly's Kwangju panel, said that the party's official stance is just to make compensation to a "satisfactory" extent for the victims and to reject opposition calls for the indemnity with the protesters in a bid to prove the military suppression inescapable, denying Chon's involvement in the turmoil.

Apparently under the pressure by the DJP executives, the outspoken chairman later set back a step and said that he was not well aware of the different notions. "As a major in political science, I did not distinguish compensation from indemnity."

PPD, PDP Welcome Statement

SK3112025288 Seoul THE KOREA HERALD in English
31 Dec 88 p 2

[Text] The top two opposition parties—the PPD and RDP—yesterday welcomed remarks made by Pak Chun-kyu, chairman of the ruling DJP, that the government should compensate the victims of the 1980 Kwangju civil uprising.

Yi Sang-su, spokesman for the PPD, said that by using the term "compensation" instead of "reparations," the ruling party official's remarks could be interpreted as a sign of change in the government's official attitude toward the Kwangju incident.

Describing Pak's remarks as a step toward resolving the Kwangju incident, Yi renewed his party's earlier demand for former President Chon Tu-hwan to testify at a parliamentary hearing, prompted by Pak's admission that Chon was mainly responsible for the tragic incident.

Yi also said that Chon should testify as soon as possible to clear the cloud surrounding the Kwangju incident in connection with who ordered troops to open fire on Kwangju citizens.

So Chong-won, RDP spokesman, took note of Pak's use of the word compensation instead of the hitherto reparations, which he said is de facto acknowledgement of unlawful suppression of the Kwangju uprising.

"Pak's remarks can be taken as an admission that the prime figure behind the firing on Kwangju citizens in 1980 was ex-President Chon Tu-hwan," So said.

As the government's basic position on the Kwangju incident has changed to resolving it on the basis of compensation rather than reparations, the government is called on to take the bold measures consistent with the new principle at the earliest possible date, So stressed.

Chon Testimony Sought

SK0501032189 Seoul YONHAP in English 0242 GMT
5 Jan 89

[Text] Seoul, Jan. 5 (YONHAP)—Disgraced former President Chon Tu-hwan and his predecessor Choe Kyu-ha might submit written testimony to the parliamentary ad hoc panels probing corruption during Chon's rule and the 1980 civil uprising in Kwangju.

"As for the unsatisfactory parts (in the written testimony), chairmen and representatives of the four parties on the two ad hoc panels will be able to visit and hear Chon and Choe," a highly placed source in the ruling party said Thursday.

The source, speaking on condition of anonymity, said the ruling party is sounding out, through unofficial contacts with opposition parties, the possibility of written testimony by Chon and Choe followed by meetings with the two former presidents.

"Some of the opposition parties have shown affirmative responses," he said. "If reporters accompany the parliamentary delegations and report the testimonies of the two former presidents, it will have the same effects as the hearings on the floor of the National Assembly."

The source said the ruling party has already consulted with Chon who has been in self-imposed rural exile at a remote Buddhist temple since late November. Choe has also responded affirmatively to the ruling party's idea, according to the source.

Also, ruling party floor leader Kim Yun-hwan met with opposition leader Kim Tae-chung on Dec. 31 and exchanged views on early completion of the ad hoc panels' activities, the source said.

"The opposition parties also agree to an early end to the activities of the parliamentary ad hoc panels," he said.

"If we strike a compromise with the opposition, the written testimony of Chon and Choe and the visits by the ad hoc panel leaders to the two former presidents will be realized before or after the hearings on the Kwangju uprising scheduled for Jan. 19 and 20," the source said.

Ruling party spokesman Pak Hui-tae also confirmed the position of his party, saying that parliamentary delegations will be able to visit Chon and request an explanation if there are unsatisfactory parts in his written testimony.

"If the press report the developments, it would be a living room hearing in effect," he said.

The ad hoc panels of the opposition-controlled national assembly have asked the two former presidents to testify at their televised hearings on corruption and irregularities during Chon's rule and the bloody military suppression of the Kwangju uprising.

Choe has rejected the parliamentary requests while Chon has failed to respond.

Prosecution To Probe Ilhae, Saesedae Scandals

Widescale Probe Planned

SK3112024388 Seoul THE KOREA TIMES in English
31 Dec 88 p 3

[Text] Prosecutors probing the irregularities of the previous administration plan to launch full-scale investigations into scandals involving the Ilhae and Saesedae foundations set up by the former presidential couple from early next year.

The prosecution wrapped up the first stage of investigations into the so-called "Fifth Republic Irregularities" Thursday with the arrest of two former cabinet ministers on charges of bribe-taking.

From next year, the law enforcement authorities will summon key figures of the previous regime and business leaders to determine whether there were any irregularities in the course of establishing the Ilhae Foundation.

Prosecutors will summon Chang Se-tong, former chief of the presidential security force; An Hyon-tae, Chang's successor; and other figures to interrogate whether they abused their power while collecting money for the foundation.

About 10 business tycoons, who had donated more than one billion won to the foundation, will also be called in by prosecutors for questioning.

They include Chong Chu-yong, honorary chairman of the Hyundai business group; Ku Cha-kyong, chairman of the Lucky-Goldstar group; Yi Kun-hui, chairman of the Samsung group; Kim U-chung, chairman of the Daewoo group; and Pak Tae-chon, chairman of Pohang Iron and Steel Co.

They will be questioned as to whether there was any "coercion" in the course of the donations to Ilhae.

Prosecutors have been investigating possible bribe-taking and power abuse committed by Chang Se-tong in secret. They were said to have found clues to his power abuse.

If the suspicion turns out to be true, Chang will be criminally punished on charges of malfeasance, according to the prosecutors.

'Illegal' Assets Sought

SK0501010889 Seoul THE KOREA TIMES in English
5 Jan 89 p 3

[Text] Prosecutors probing the irregularities of the previous administration plan to ferret out "illegal" property allegedly amassed by key figures of the Fifth Republic, including Chang Se-tong, former chief of the presidential security force, and Yi Hak-pong, ex-presidential secretary in charge of civil affairs.

If they are found to have stashed away fortunes by illegal means they will be arrested without fail, prosecutors said.

Other key figures subject to the stiff prosecution probe are An Hyon-tae, Chang's successor; Ho Mun-to, former presidential press secretary; Yi Sang-chae, a cadre member of the ruling Democratic Justice Party; and Yi Won-cho, former president of the Office of Bank Supervision and Examination.

In particular, the prosecutors will focus their energy on investigating the alleged power abuse by Chang and An in the course of establishing the Ilhae Foundation.

The investigation will be centered on whether there was any "coercion" by the two chief bodyguards of former president Chon Tu-hwan, while collecting money from business tycoons, and if there was any fund diversion by them from the foundation.

In addition to the powerful figures of Chon's regime, the prosecutors will summon the dozen entrepreneurs who donated more than 1 billion won to the foundation for questioning.

The business leaders to be called in will include Chong Chu-yong, honorary chairman of the Hyundai business group; Yi Kon-hui, chairman of the Samsung group; and Kim U-chung, chairman of the Daewoo group. Chong Su-chang, former president of the Korea Chamber of Commerce and Industry, will also be summoned in connection with the Ilhae fund collection.

The prosecutors will intensively interrogate the Hyundai group founder, who played a leading role in the fund-raising together with Chong Su-chang, on his contribution of 150,000 pyong of land in Songnam, Kyonggi-do, to the foundation for its site. The land was owned by the Hyundai group.

Chong will also be questioned why he transferred the land ownership without registration with the authorities.

He will be asked by prosecutors if there were any "favors" given to the business conglomerate by the government in return for his donation of more than 10 billion won to Ilhae and Saesedae foundations, as well as his leading role in the money collection. Saesedae is the name of a welfare foundation set up by Yi Sun-cha, wife of the former president.

Meanwhile, prosecutors investigating the controversial liquidation of the Kukje-ICC business group in 1985 will summon Yang Chong-mo, chairman of the dissolved group; Kim Man-che, former deputy premier economic planning minister; and Yi Pil-son, former president of the Korea First Bank.

The prosecutors will interrogate them to determine whether the business group was dissolved because Yang aroused the ire of the former president due to his "meager" contribution to Ilhae.

Chon Couple Spends New Year's Day in Seclusion
SK0501015689 Seoul THE KOREA HERALD in English
5 Jan 89 p 3

[Text] Paektam Temple, Kangwon-to—More than a thousand vacationers scaled the slopes of Mt. Sorak, but the path to Paektam Temple, where former President Chon Tu-hwan and his wife Yi sun-cha are living out their days of self-imposed exile, was visibly empty throughout the New Year holidays.

No guests of note came to visit the couple, and Chon and Yi refrained from coming out of their abode.

Woljong Temple's head monk Kim To-myong visited the Chons on Jan. 1 around 12:30 p.m. for a two-hour worship, and a woman in her 50s arrived at the temple at 1:00 p.m. on Jan. 2 with four gift packages, but they drew scant public attention.

The number of visitors these holidays was only half of previous crowds, and many of them were kept far from the temple because of heavy security, only taking pictures with the now famous temple in the background, neighbors said.

Kim Tae-chung Reviews Past Year, Future Goals
SK0301013489 Seoul TONG-A ILBO in Korean
26 Dec 88 P3

[Interview with PPD President Kim Tae-chung by TONG-A ILBO reporter Yi To-song—date and place not given]

[Excerpts] Recalling this year's political situation with satisfaction, Kim Tae-chung, president of the PPD, said "The year 1988 is a year in which an epochal development was made in our politics. This is not because of the phenomenon of strong opposition forces and a weak ruling party, but because of the fact that the people have become the main force of politics. Of course, there was social chaos in some aspects. However, the possibility of sweeping out the political circles has disappeared and the people have been able to have access to materials on North Korean affairs. Such a phenomenon is a change that we could not even imagine in the past. Even with such a change, there has been no danger of communization among the people. This proves that our people's political awareness has been extraordinarily strengthened." He added "Now, the president, the opposition parties, businessmen, students, or even the military can do nothing if they ignore public opinion. In other words, a "new era of people's politics" has opened."

[Yi To-song] The PPD has adhered to a policy of "reform amid stability." Do you think the political and social environment of this year has been stable enough to allow a smooth implementation of your party's reform policy?

[Kim Tae-chung] There were some aspects where we had problems and had to take precautions. However, I think we have had overall stability this year. This is demonstrated by our economic situation alone. In other words, our economy has recorded a growth of 12 percent this year in defiance of the various unstable factors that have existed following the "29 June" declaration in 1987. How could we achieve such a high growth in our economy without political stability? However, we still have some unstable factors that need settling in the future. These include the lack of will on the part of the No Tae-u regime to liquidate the Fifth Republic and to guarantee the people's democratic rights, violence by some radical students and off-stage opposition forces, and a minority of people supporting North Korea. [passage omitted]

[Yi] The political situation in the second half of this year is said to have been the "politics of the public hearing." The people's attention was focused on the televised public hearings in the National Assembly. I believe the focus of the people's concern in the next year will be how to conclude the activities of the ad hoc committees of the Assembly.

[Kim] I believe there are differences between the Kwangju incident and the irregularities of the Fifth Republic in terms of the ways that they can be settled. I think that the irregularities of the Fifth Republic should be investigated and revealed by establishing a special prosecution team in the Assembly and those involved in the irregularities should be punished according to investigation results of the special prosecution team. However, I think the Kwangju incident requires a political decision by the government. Most of the truth of the Kwangju incident has already been revealed. With the testimony of PPD Assemblyman Chong Ung before the hearing session, the truth behind the Kwangju incident has been revealed. It is well known that I was not behind the incident. I think the identity of the person who ordered the soldiers to fire at Kwangju citizens during the incident will be revealed soon. Since the Kwangju incident was an uprising for democratization, shooting at those who the citizens was a big mistake and, therefore, the person behind the incident should assume responsibility for the shooting. The government should make a political decision on this problem.

[Yi] It has been said that the PPD claims the ones who ordered the soldiers to shoot at the citizens are Mr Chon Tu-hwan and Mr Chong Ho-yong.

[Kim] As far as Mr Chon Tu-hwan is concerned, our party has made it clear that we do not want to punish him. So far Mr Chon Tu-hwan has already received from the public a type of punishment that may surpass actual criminal punishment. He has also apologized to the

people. Therefore, if he apologizes to the Kwangju citizens we will not demand any punishment for him. We cannot drive him into a corner. However, other persons involved in the Kwangju incident should resign from public office. On the problem of whether or not they should receive criminal punishment, we will decide on that based on discussions between the opposition parties and the ruling party. We will closely observe the government's attitude on this.

[Yi] I understand that the greatest concern of the political circles these days is the "interim evaluation" of the No Tae-u regime. What is the stand of the PPD on this?

[Kim] We will decide our party's stand on this problem this coming February or March after observing the attitude of the government, as well as the people. The stand of our party is neither a political ploy nor an evasion of political responsibility. The "interim evaluation" is a promise that President No made to the people. Therefore, we are in no position to intervene in the first place. However, our party's position is that considering the possible burden to be imposed upon both the people and the political circles, I think it is not desirable to conduct an interim evaluation of the present regime in the form of a vote of confidence. However, if public opinion demands it, our party will not ignore the stream of public opinion. [passage omitted]

[Yi] What do you see as the prospects for the political situation in the new year?

[Kim] What I want in the new year is to end the irregularities of the Fifth Republic and to revise or abolish all evil laws. I do not think it will take time to settle the Kwangju incident. If the government has the will to settle the issue, I think that it can be resolved sometime this spring. Next, we should put the local autonomy system into practice next year. We cannot expect political stability without enforcing the local autonomy system. All the people should pool their wisdom in pushing ahead with North-South relations and the northward policy. The political situation in the new year depends on the ruling party's attitude toward the aforementioned issues and the system of cooperation of the three opposition parties.

Kim Chong-pil on Midterm Evaluation Next Year
SK0501075089 Seoul YONHAP in English 0743 GMT
5 Jan 89

[Text] Seoul, Jan. 5 (YONHAP)—The opposition New Democratic Republican Party (NDRP) will propose that the interim appraisal on No Tae-u's performance as president be postponed to next year when opposition party leaders meet later this month.

NDRP President Kim Chong-pil told reporters Thursday that he will suggest postponement of the proposed evaluation of No's performance when he meets with the three opposition leaders in mid-January.

Kim said conducting the assessment this year as promised by the president would not be conducive to stabilizing political situation.

"We should give president no time to carry out state affairs with conviction this year free from the problem of liquidating the irregularities committed during former President Chon Tu-hwan's era and I think it is proper for the nation to have the interim appraisal next year," Kim said.

The opposition parties have kept different positions as to when and how the evaluation should be made since no pledged to do it during his presidential campaign in December 1987.

Consumer Prices Rise 7.2 Percent in 1988
SK0401032289 Seoul YONHAP in English
0202 GMT 4 Jan 89

[Text] Seoul, Jan. 4 (YONHAP)—Consumer prices soared 7.2 percent in Korea last year fueled by inflation in the overseas sector and unbalanced demand and supply of agricultural and livestock products.

It marks the first time for the consumer price growth rate to surpass the seven-percent level since 1983 despite government efforts to stabilize prices through such steps as cuts in oil prices and reductions in special excise taxes and tariff rates.

The increase was cited in a report on price trends in 1988 released by the Economic Planning Board (EPB) and the Bank of Korea (BOK).

The consumer price index recorded 116.4 (based on 1985) at the end of last year, up 7.2 percent from a year earlier, while the annual average index rose 7.1 percent, a record low since 1982 when it registered a 7.3 percent increase rate.

Meanwhile, wholesale prices maintained a stable trend largely due to oil price cuts, bringing the index to 102.6, up 2.3 percent from a year earlier.

Consumer prices, which have shown a stable trend registering increases of 2.4 percent in 1984, 3.1 percent in 1985 and 1.4 percent in 1986, surpassed the seven-percent government mark last year following 6.1 percent recorded in 1987. The government originally set the 1988 target at four to five percent but raised it to six percent and then to seven percent.

Agricultural, marine and livestock products led the price hike on the strength of 16 percent growth in the government purchase price of rice, as well as a sluggish harvest and a distorted distribution structure.

Factors in the consumer price increase were the rise in housing expenses and apparel and household commodity prices reflecting a raw material price hike and an increase in personnel expenses resulting from labor disputes.

Another factor was concern over a possible price hike occasioned by widespread speculation in the stock market and real estate heightened by inflation in the overseas sector resulting from Korea's continuing current account surplus.

Wholesale prices, however, showed a stable trend aided by the government cuts in oil prices and electricity rates for industrial use, expanded imports of some items which suffered from a short domestic supply, and special excise tax and tariff rate cuts.

Meanwhile, the export price index recorded 127.9 in December, up 13.1 percent from last year, resulting from a move by exporting companies to cope with aggravated profitability stemming from the won's appreciation, while the import price index registered 122.9, up 13.4 percent due to a hike in international raw material prices.

*** Conglomerates Adopt New Management Systems**
41070038 Seoul MAIL KYONGJE SINMUN in Korean
18 Nov 88 p 6

[By Ho Chon: "Big Businesses Actively Adopt New Management Systems...Key to 'Overcoming the Three Highs'"]

[Text] More and more, major business firms in this country are adopting various up-to-date management formulas developed and used by their Japanese counterparts to overcome the affects of the strong yen and to reform their management. This trend has become increasingly visible as the won has risen in value, and wages and raw material prices have increased causing drastic changes in the economic environment.

In cooperation with consulting agencies in the country, such as the Korea Industrial Standards Association, the Korea Management Association and the Korea Productivity Center or through overseas training programs, Hyundai, Samsung, Lucky-Goldstar and other conglomerates are energetically introducing and utilizing new management and production techniques such as IE (industrial engineering), VE (value engineering), VM (value management) and TPM (total productive maintenance).

The Samsung Group recently sent officers of 33 affiliated companies, including Samsung Electronics, for TPM training in Japan. It then trained its own instructors to teach the system groupwide.

Meanwhile, the Samsung General Training Institute has introduced an up-to-date technique called "unconventional management" with emphasis on the need for revolutionary management styles not bound by commonly held ideas or existing business practices.

Samsung Corning Co, Ltd in particular introduced another new system called Effective Management Thinking Pattern (EMTP) in a special training course for managers and is now offering it.

Lucky-Goldstar has already adopted VE and IC systems. Furthermore, with growing interests in TPM, the Goldstar company, Goldstar Telecommunication, Goldstar Cable, Goldstar Electric, and Goldstar Magnetech received training from the Industrial Standards Association.

In the case of Goldstar Communications, the use of VE enabled it to cut costs by 7.1 billion won, the equivalent of 4.5 percent of last year's sales.

In the Hyundai Group, auto, engine and heavy industry branches are undergoing TPM training; they have already put IE and VE into practice.

The Daewoo Group had its electronics, auto, and heavy industry branches as well as the Daewoo Shipbuilding Corp receive TPM training. In addition, it is introducing a variety of other systems to cope with the rapidly changing economic environment.

Other big businesses like Sunkyon, Ssangyong, Hanjin, Korea Powder, Kosong, Tongguk Steel and the Lotte Group are vigorously adopting the latest management techniques.

Lately, CI [corporate identity], a process to establish a unified corporate image, has emerged as an up-to-date management strategy. It is actively being utilized as a visual element in public relations campaigns.

In view of this development, the Industrial Standard Association sent a team to Japan to be trained in this CI strategy. Some 30 companies, including Goldstar Industrial Electric, Samsung Corp., Ssangyong Cement, Hyundai Elevators, and Lotte Confectionery took part in the program, and showed a great deal of interest.

Among the latest management and production control systems are:

VE: Seeks maximum streamlining and cost cutting. It is used to increase price competitiveness, secure international competitiveness and improve product reliability and service.

IE: Promotes the use of engineering methods to resolve problems in streamlining; in other words, it pursues cost cuts through management streamlining. VM: Promotes companywide awareness and practice in all management activities including production, sales and services, as well as product development.

TPM: Seeks maximum productivity in order to achieve, among other things, the most effective use of plants and equipment. It has spread worldwide since it was first introduced in Japan in 1971.

CI: Seeks to build a positive corporate image through public response to solutions to management problems.

Nonconventional Management: Means unique and revolutionary systems unbound by conventional thoughts or existing business practices. It urges departure from commonly held notions and adoption of innovative ideas for use in management. Among businesses that have successfully employed this system are Japan's Nomura Securities Co, Ltd, Recruit Corp, Minolta Camera Co, and Shin-Etsu Chemical Co, Ltd.

Burma

Rangoon Marks Independence Day Quietly

BK0401120589 Hong Kong AFP in English 1126 GMT
4 Jan 89

[Excerpts] Rangoon, Jan 4 (AFP)--Rangoon observed the 41st anniversary of its independence from Britain without public festivities Wednesday as congratulations poured in from monarchs and heads of state around the world.

Six policemen killed in Dallah, across the Rangoon River from the capital, during mass protests for democracy last year were included in a list of 934 people accorded honors in a list carried by the state-run press Wednesday.

A total of 165 military personnel, including 40 officers, were decorated, while some 64 others were decorated posthumously, the list said.

The official WORKING PEOPLE'S DAILY frontpaged congratulatory messages sent to General Saw Maung's military government by China's head of state Yang Shangkun, the Presidium of the Soviet Union, South Korean President No Tae-u and President Husain Mohammad Ershad of Bangladesh.

The newspaper also carried portraits of 22 Rangoon-based senior diplomats who had sent congratulatory messages to the military government which seized power September 18 to crack down on two months of pro-democracy protests and strikes.

General Saw Maung has invited to a state banquet Wednesday leaders of all 176 political parties registered with the state since the coup.

Foreign correspondents were also invited to the annual function for the first time in 26 years. [passage omitted]

Among the congratulatory messages reaching Gen Saw Maung was a note from the newly-formed Federal Republic Development Party. It expressed "best wishes for the early holding of free and fair multi-party democratic elections, which the people aspire to." [passage omitted]

Saw Maung, Wife Host Reception

BK0401143089 Rangoon Domestic Service in Burmese
1330 GMT 4 Jan 89

[Text] General Saw Maung, chairman of the State Law and Order Restoration Council of the Union of Burma, and Daw Aye Yi, wife of Gen Saw Maung, hosted an independence day reception at the People's Assembly at 1830 today. Attending the reception were members of the State Law and Order Restoration Council and their wives; government ministers and their wives; the chief justice, justices, and their wives; the attorney general and

the deputy attorney general and their wives; the auditor general and the deputy auditor general and their wives; members of the Commission for Holding Democratic Multiparty General Elections and their wives; heads of departments; high-ranking officers of the Defense Forces; the chairman, the vice chairman, and the secretary of the Burma War Veterans Organization and their wives; diplomats headed by the dean of the diplomatic corps and their wives; military attaches and their wives; personnel from the United Nations organizations and their wives; families of the late national leaders; the chairmen and secretaries of political parties; and foreign and local journalists.

While the reception was in progress, the guests were entertained by the music band of the Burma Broadcasting Service and by a variety dance show of the Fine Arts Department.

Political Parties Continue To Register

New Strength Democratic Party

BK3112083888 Rangoon Domestic Service in Burmese
1330 GMT 30 Dec 88

[Text] The New Strength Democratic Allied Party, which has its headquarters at No 67, Kyaikwaing Paya Road, 4th Ward, Mayangon Township, Rangoon Division has been permitted registration as of 30 December in accordance with Section 5A of the Political Parties Registration Law. This was announced in Announcement No 178 of the Commission for Holding Democratic Multiparty General Elections.

The New Strength Democratic Allied Party has been formed with the following Central Executive Committee:

Patrons: U Kyi Win, former Patriotic Army commander;
U Aye Maung, former Patriotic Army commander;
Chairman: U Thaung Myint;
General Secretary: U Than Naing;
Joint General Secretary-1: U San Win Lwin;
Joint General Secretary-2: Daw Thet Thet Khaing;
Members: U Tun Aye; U Aung Myo Lwin; U Tin Moe Win; U Aye Ko; Daw Htwe Myint Thaung; Daw May Nan Nwe; Daw Khin Khin Htay; and Daw May Nan Soe alias Daw Su Su Htwe.

New Social Building Party

BK3112084088 Rangoon Domestic Service in Burmese
1330 GMT 30 Dec 88

[Text] The Democracy New Building Social (?Milieu) Party, Bassein, Irrawaddy Division [name of party as rendered in English], which has its headquarters at No 15 Phettan Street, Bassein, Irrawaddy Division, has been permitted registration as of 30 December in accordance with Section 5A of the Political Parties Registration Law. This was announced in Announcement No 177 of the Commission for Holding Democratic Multiparty General Elections.

The Democracy New Building Social (?Milieu) Party, Bassein, Irrawaddy Division has been formed with the following Central Executive Committee:

Chairman: U Tin Maung Soe alias U Zaw Htike;
Vice Chairman-1: U Min Naing;
Vice Chairman-2: U Tin Swe alias Pho Tok;
General Secretary: Daw Myint Myint Aye alias Mya Sanda;
Joint General Secretary: Daw Than Than Htay;
Members: U Ye Myint; U Thein Lwin; U Saw Robert; U Pho Kun alias Kun Zaw Win; U Min Soe Naing alias Kyaw Kyaw Naing; U Toe Toe Lwin, Rangoon; U Aung Lin U; U Thant Zin, National; Daw Myint Myint U; Daw Thida Lwin; Daw Thanda; and Daw Khin Thi U.

More Political Parties Announce Programs

League for Democracy Alliance

BK0501022589 Rangoon Domestic Service in Burmese
1330 GMT 4 Jan 89

["Press Release No 9/89 of the Commission for Holding Democratic Multiparty General Elections, dated 4 January—the 12th day of the waning moon of Nadaw, 1350 Burmese era"]

[Text] 1. The following are the extracts of the objectives and future programs of the League for Democracy Alliance, which has registered with the Commission for Holding Democratic Multiparty General Elections in accordance with the Political Parties Registration Law, and which has its headquarters at No 148, Ground Floor, 48th Street, No 10 Ward, Botataung Township, Rangoon Division.

2. Aims:

- A. To work to obtain full democratic and human rights.
- B. To achieve unity so as to prevent disintegration of national people.
- C. To uphold independent foreign policy in conducting friendly relations with countries of the world and to make the utmost efforts for economic, social, education, health, and cultural development of the country.

3. Programs:

- A. To construct a state which is peaceful and which enjoys full democratic rights.
- B. To strive forever for a lasting democratic political system.
- C. To support and assist other organizations which have common objectives in working to implement a genuine democracy.
- D. To create a free market economy which would contribute to economic development in constructing a broad economic system.
- E. To give firm guarantees to foreign entrepreneurs who invest in joint ventures and other investments in the country.

F. To allow youths to peacefully pursue their education and to nurture them to become intellectuals and technicians of world standard.

G. To send world standard scholars on state scholarships.

H. To practice a free basic education system and to allow freedom of choice in university education.

I. To give free medical care to citizens at state hospitals and to provide medicines and modern medical equipment, and to send doctors and nurses to rural areas.

J. To observe the United Nations Declaration on Human Rights.

K. To give freedom of the press and to form a single organization of fine arts, literature, music, motion pictures, and theater to allow creativity and to bring them up to world standard and to preserve Burmese tradition.

L. To allow tillers right to land ownership and to allow freedom of trade for agricultural produce.

M. To send agricultural officers to rural areas.

N. To lay down plans to send veterinary surgeons to rural areas.

O. To expand social security hospitals and to give welfare benefits to workers.

P. To defend the sovereignty of the state and to defend the lives, homes, and property of all national people.

People's Front for Democracy

BK3112093888 Rangoon Domestic Service in Burmese
1330 GMT 30 Dec 88

["Press Release No 186/88 of the Commission for Holding Democratic Multiparty General Elections, dated 30 December—the 7th day of the waning moon of Nadaw, 1350 Burmese era"]

[Text] 1. The following are the extracts of the objectives and programs of the People's Front for Democratic Construction which has registered with the Commission for Holding Multiparty General Elections in accordance with the Political Parties Registration Law, and which has its headquarters at No 11, Gyar Tawya Street, Myoma Ward, Bahan Township, Rangoon Division.

2. Aims

- A. To promote democratic system in Burma.
- B. To obtain internal peace for a lasting democratic system.
- C. To educate the new generation on the democratic system.
- D. To recognize self-determination of national people.
- E. To practice a mixed economy with emphasis on private enterprise.
- F. To draft a constitution which will ensure the democratic system lasts forever.

3. Programs

- A. To spread propaganda to promote political knowledge on democracy.
- B. To obtain all political objectives through democratic means.

- C. To abrogate laws which ban rights of various classes and to draft and promulgate new laws.
- D. To practice an education system which agrees with a democratic system.
- E. To resolutely reform old economic institutions.
- F. To practice an open-door policy with all countries of the world in economy.
- G. The state owns all land; peasants will be allowed land management in all aspects.
- H. To protect the interests of workers.
- I. To ensure people's effective participation in the country's politics.

Peasants Development Party

*BK3112110488 Rangoon Domestic Service in Burmese
1330 GMT 30 Dec 88*

["Press Release No 187/88 of the Commission for Holding Democratic Multiparty General Elections, dated 30 December—the 7th day of the waning moon of Nadaw, 1350 Burmese era"]

[Text] 1. The following are the extracts of the objectives and future programs of the Peasants Development Party, which has registered with this Commission for Holding Democratic Multiparty General Elections in accordance with the Political Parties Registration Law, and which has its headquarters at No 10, 3d Street, Shwe La Yaung Ward, Myothit, Magwe Division.

2. Aims:

- A. To establish a peaceful and united, democratic state by means of a democratic multiparty system for the perpetuation of the state and sovereignty.
- B. To work for the balanced development and improvement of lives of the peasants, workers, intellectuals, and technicians by securing solidarity, unity, and equal basic democratic rights.
- C. To work for basic human rights and equal rights for all nationalities.
- D. To cooperate with peaceful democratic forces of the world for the development of peaceful democracy.

3. Programs:

- A. Private, cooperative, state, and joint venture economic system will be practiced so that tillers can have rights to own land and grow crops of their own choice.
- B. To promote awareness and enjoyment of democracy among peasantry, to maintain relations with peasants from all countries, and to establish modernized agriculture.
- C. To strive for development of mutual understanding, consideration, cooperation, and protection among peasants, workers, and defense forces.
- D. To strive vigilantly and actively for development of the people's defense forces who are responsible for defense and perpetuation of the state in accordance with the aspirations of General Aung San.

National Ethnic Reformation

*BK0501033689 Rangoon Domestic Service in Burmese
1330 GMT 4 Jan 89*

["Press Release No 10/89 of the Commission for Holding Democratic Multiparty General Elections, dated 5 January—the 12th day of the waning moon of Nadaw, 1350 Burmese era"]

[Text] 1. The following are the extracts of the objectives and future programs of the National Ethnic Reformation Party, which has registered with this Commission for Holding Democratic Multiparty General Elections in accordance with the Political Parties Registration Law, and which has its headquarters at No 125, First Floor, 34th Street, Kyauktada Township, Rangoon Division.

2. Aims

- A. To draw up programs for theoretical and practical training on democracy to carry out national duties.
- B. To carry out organizational work for perpetuation of the state and the safeguarding of independence and sovereignty, prevalence of law and order, and development and prosperity of the state.
- C. For all ethnic groups, which have existed in the country historically, to obtain liberty, justice, and equality—the basic human rights of all citizens—in political, social, economic, education, and social affairs without discrimination as to race, religion, and standard.
- D. For all ethnic groups to build a new life based on human respect and equality by building the solidarity and unity of all national people and ethnic groups without discrimination as to religion, race, and standard. To encourage all national people to serve the country and citizenry and to promote sympathy, friendship, respect, assistance, and frank relations among them.
- E. To allow freedom of worship, expression, and development with regard to religion, literature, language, and customs of all national ethnic groups and to study and research language, literature, and customs of ethnic groups which are disappearing due to various factors.

3. Programs

- A. To publish politically educational journals and to open lectures, seminars, and training courses.
- B. To allow freedom of worship, expression, and development regarding religion, literature, language, and customs of all national ethnic groups and to give necessary assistance.
- C. To encourage domestic and international free trade and economic programs to strengthen and develop the national economic foundation.
- D. To facilitate transportation for national ethnic groups living in remote hill regions and border areas and to arrange economic programs for them.
- E. To work for unity by conducting art and cultural exchange and exchange of visits among national ethnic groups and to study their traditions and customs to promote friendship among them.
- F. To give priority to educational, health, economic, and social development in rural areas.

G. To give peasants, workers, members of public service personnel and service personnel, including members of the Defense Forces and People's Police Force, benefits proportionate to their goodwill, sacrifice, and diligence in serving the country and citizenry.

Brunei, Malaysia & Singapore

Malaysia

Foreign Minister on Downing of Libyan Planes
BK0501113089 Kuala Lumpur BERNAMA in English
1108 GMT 5 Jan 89

[Text] Kuala Lumpur, Jan 5 (OANA-BERNAMA)—Malaysia Thursday expressed serious concern over the shooting down of two Libyan Air Force aircraft by United States fighter jets in the Mediterranean area Wednesday.

Foreign Minister Abu Hassan Omar said Malaysia took a "very serious view" of the escalation in U.S. action against Libya, especially in the light of recent unproven allegations by the U.S. of Libyan attempt to produce chemical weapons.

He said Malaysia wanted the U.S. to exercise the utmost restraint, and to respect the sovereignty and inviolability of small states.

According to the White House, the US Navy fighter jets shot down the Libyan planes after they threatened the American aircraft.

Abu Hassan said the matter was now before the U.N. Security Council and with Malaysia as president of the council for the month of January, "we have directed our permanent representative to make a careful study of the question."

Malaysia, he said, was very much concerned at the latest development in the Mediterranean area and the Foreign Ministry (Wisma Putra) was awaiting further details of the incident.

"The buildup in the confrontation between the two countries runs counter to the peace process in the region and elsewhere, and can only be viewed as a negative development which will further exacerbate the already delicate situation in the area," he said.

Group of Vietnamese Boat People Land
BK0301064589 Kuala Lumpur International Service
in English 0600 GMT 3 Jan 89

[Text] Ninety-five Vietnamese have arrived by boat at a beach in northeastern peninsular Malaysia. It was the country's first refugee arrival this year. Red Cross officials said the 95 boat people landed near Kuala Terengganu yesterday. The 38 men and 57 women were being

transferred to a refugee camp on Bidong Island to await permanent resettlement in other countries. There are about 11,000 Vietnamese refugees in Malaysia.

Communist Party Gives New Year Greetings
BK0201043889 (Clandestine) Voice of Malayan
Democracy in Malay 1215 GMT 31 Dec 88

[New year greetings from the Communist Party of Malaya Central Committee—read by announcer]

[Text] On the occasion of the arrival of 1989, the Communist Party of Malaya [PKM] Central Committee, Comrade Abdullah C.D., and Comrade Chin Peng extend Happy New Year greetings and highest respects to all PKM members, all commanders and soldiers of the Malayan People's Army, all members of revolutionary mass organizations, unyielding patriotic fighters in prisons, families of revolutionaries and noble heroes, and brothers and sisters of all nationalities.

The main features of the political situation in our country last year were marked by the further development of the struggle of the people of various strata from all nationalities to achieve political democracy, maintain rights embodied in the Constitution, and demand a better life. The major events were as follows:

The masses enthusiastically demanded the abolition of the Internal Security Act and the unconditional release of all political detainees. Judicial circles firmly opposed the arbitrary action of the administrative branch in amending the national Constitution and various laws, and demanded that judicial freedom be maintained. Workers and employees in various industrial sectors actively launched a struggle for a better life and the maintenance of their immediate rights and interests.

Although our country's economy recovered last year, the amount of foreign debts remained enormous and the burden of taxpayers remained heavy. The production of primary commodities increased but their prices were low. Despite balance of trade surpluses, most of the foreign exchange earnings had been used to repay debts and interest.

The workers suffered from great exploitation by local and foreign monopoly capitalists. The number of unemployed people increased.

In the international arena, socialist countries firmly adhered to reforms and open-door policies. Major capitalist powers dare not trigger a world war indiscriminately because no participant will be spared from annihilation in a nuclear war. Local wars increasingly show tendencies toward peace. Such situations are favorable for peoples of Third World countries to maintain national independence, strive for political democracy, and promote national economies.

The Communist Party of Malaya Central Committee issued a statement entitled "Unite, Continue the Struggle" on 18 June last year. The statement established our party's policies on a series of important issues and once again expressed our party's sincere desire to end the armed struggle under just and logical terms. All patriots and our Army as well as revolutionary mass organizations should fight to realize the party's desire and implement the party's policies.

All patriotic and democratic parties, organizations, and individuals nationwide, unite!

[Signed] Communist Party of Malaya Central Committee

[Dated] 1 January 1989

Cambodia

Foreign Guests Arrived for National Day

BK0401101789 Phnom Penh SPK in French 0428 GMT 4 Jan 89

[Text] Phnom Penh, 4 January (SPK)—Party and state delegations from Poland, Cuba, and Bulgaria arrived yesterday morning in Phnom Penh for the celebration of the 10th anniversary of the PRK National Day (7 January).

The Polish delegation was led by Zbigniew Michalek, Political Bureau member, secretary of the Polish United Workers Party (PZPR); the Cuban delegation by Jose Ramirez Cruz, alternate Political Bureau member of the Communist Party of Cuba Central Committee; and the Bulgarian delegation by Emil Khristov, secretary of the Bulgarian Communist Party Central Committee.

After their arrivals, the foreign guests went to lay wreaths at the war memorial in Phnom Penh.

In the afternoon, Syrja Laze, special envoy of the People's Socialist Republic of Albania and extraordinary and plenipotentiary ambassador to Vietnam, also arrived in Phnom Penh.

Nguyen Van Linh Said 'Bedridden'

OW0501113089 Tokyo KYODO in English 1104 GMT 5 Jan 88

[Excerpts] Phnom Penh, Jan. 5 KYODO—The Kampuchean government of Heng Samrin on Saturday will celebrate the 10th anniversary of the overthrow of its predecessor, the Pol Pot-led Khmer Rouge, which has regrouped over the last decade to become the most powerful of the resistance forces battling the Hanoi-backed government.

The multi-event ceremony, which is expected to include over 200,000 citizens, soldiers, government officials and foreign diplomats, will center around the former royal

palace of exiled Prince Norodom Sihanouk, who now is one of the leaders of the anti-Vietnam, three-party resistance coalition of Democratic Kampuchea. [passage omitted]

Several hundred diplomats and military attaches from Eastern bloc countries are expected to attend Sunday's ceremonies.

Vietnamese Communist Party head Nguyen Van Linh, who has supervised the withdrawal of some 160,000 of his troops from Kampuchea since 1982, was invited to the festivities but is reportedly bed-ridden in Ho Chi Minh City. [passage omitted]

Nguyen Van Linh Arrives 5 January

BK0501114689 Hanoi Domestic Service in Vietnamese 1100 GMT 5 Jan 89

[Text] Today, 5 January, a high-level Vietnamese party and state delegation led by Comrade General Secretary Nguyen Van Linh arrived in Phnom Penh to attend the celebration of the PRK's 10 national day.

Comrade Chea Sim, Political Bureau member and chairman of the Cambodian National Assembly, welcomed the delegation at Pochentong International Airport. Also on hand were many Cambodian party, state, and National Assembly leaders; representatives of several agencies, departments, and services at the center and in Phnom Penh; and numerous representatives of diplomatic missions, foreign guests, and foreign journalists.

Comrade Chea Sim solemnly invited Comrade General Secretary Nguyen Van Linh to step onto the platform and presented him with a bouquet of flowers. He then introduced Comrade Nguyen Van Linh and other Vietnamese delegates to other Cambodian party and state leaders and members of the diplomatic corps present at the welcoming ceremony. Accompanied by Comrade Chea Sim, Comrade Nguyen Van Linh reviewed a guard of honor of the Cambodian People's Army.

SPK on Nguyen Van Linh Arrival

BK0501120289 Phnom Penh SPK in English 1118 GMT 5 Jan 89

[Text] Phnom Penh SPK January 5—A top-level Vietnamese party and state delegation led by Nguyen Van Linh, general secretary of the Central Committee of the Communist Party of Vietnam, arrived here this afternoon by a special plane to attend the celebrations of the 10th national day of the People's Republic of Kampuchea (January 7).

The delegation includes General Le Duc Anh, Political Bureau member of the party Central Committee and minister of national defence; Nguyen Khanh, member of the party Central Committee and vice chairman of the Council of Ministers; and other senior Vietnamese officials.

The Vietnamese guests were greeted on their arrival by Chea Sim, Politburo Member of the People's Revolutionary Party of Kampuchean Central Committee and chairman of both the National Assembly and the front's National Council; Bou Thang and Chea Soth, both Politburo members of the party Central Committee and vice premiers; and other senior party and state officials.

After its arrival, the delegation laid a wreath at the monument for the war dead in Phnom Penh.

Laos' Kaysone Phomvihane Arrives

BK0501115489 Phnom Penh SPK in English
1112 GMT 5 Jan 89

[Text] Phnom Penh SPK January 5—A top-level delegation of the Lao party and state arrived in Phnom Penh this morning for the celebration of the 10th national day of the People's Republic of Kampuchea (January 7).

The delegation, led by Kaysone Phomvihane, general secretary of the Lao People's Revolutionary Party Central Committee and chairman of the Council of Ministers, includes Oudom Khatthi-gna, candidate Political Bureau member of the LPRP Central Committee and minister of telecommunications, posts and constructions; Ai Souli-gnaseng, member of the LPRP Central Committee and chief of the General Staff of the Lao People's Liberation Army (LPLA).

It was greeted at the Pochentong Airport by Chea Sim, Politburo member of the People's Revolutionary Party Central Committee and chairman of both the National Assembly and the front's National Council; Bou Thang, Politburo member of the party Central Committee and vice chairman of the Council of Ministers; Chea Soth, Politburo member of the party Central Committee and vice chairman of the Council of Ministers; and many other senior Kampuchean officials and officers.

After its arrival, the delegation laid a wreath at the monument for the war dead.

Soviet Delegation Arrival Reported

BK0501060389 Phnom Penh SPK in French 0442 GMT
5 Jan 89

[Text] Phnom Penh, 5 Jan (SPK)—A delegation of the party and state of the Soviet Union led by Mrs A.P. Biryukova, candidate member of the Politburo of the CPSU Central Committee and vice chairman of the Council of Ministers, arrived in Phnom Penh this morning to attend the 10th anniversary of the Cambodian National Day (7 January).

The delegation was received by Chea Sim, member of the Political Bureau of the KPRP Central Committee and chairman of the National Assembly; Chea Soth and Bou Thang, members of the Political Bureau of the KPRP Central Committee and vice chairmen of the Council of Ministers; and others.

Honors Conferred on Defense Ministry Staff

BK0101151189 Phnom Penh Domestic Service
in Cambodian 1300 GMT 1 Jan 89

[Text] In reference to Decrees Nos 92 and 93, the PRK Council of State decides to confer:

- The rank of general [oddam senei aek] on Comrade Bou Thang, vice chairman of the Council of Ministers and chief of the General Political Department.
- The rank of general on Comrade Tie Banh, vice chairman of the Council of Ministers and defense minister.

In reference to Decrees Nos 94 and 95, 96, and 97, the PRK Council of State decides to confer:

- The rank of major general [oddam senei tou] on Comrade Ke Kimyan, first deputy defense minister.
- The rank of major general on Comrade Pol Saroeun, deputy defense minister and chief of the General Staff.
- The rank of major general on Comrade Nhim Vanda, deputy defense minister and chief of the Logistics Department.
- The rank of major general on Comrade Soey Keo, deputy defense minister.

In reference to Decrees Nos 98, 99, 100, 101, 102, 103, 104, and 105 the PRK Council of State decides to confer:

- The rank of brigadier general [oddam senei trei] on Comrade El Vansarat, deputy defense minister.
- The rank of brigadier general on Comrade Peng Pat, deputy defense minister.
- The rank of rear admiral [oddam neavi trei] on Comrade Nuon Sok, deputy defense minister.
- The rank of brigadier general on Comrade Nhek Huon, deputy chief of the General Staff of the Ministry of National Defense.
- The rank of brigadier general on Comrade Chay Sang-yun, deputy chief of the General Staff of the Ministry of National Defense and commander of the 3d Military Region.
- The rank of brigadier general on Comrade Hul Savoan, commander of the 4th Military Region.
- The rank of brigadier general on Comrade Than Chan, commander of the 1st Military Region.
- The rank of brigadier general on Comrade (Un Ben), deputy chief of the General Staff of the Ministry of National Defense.

Done in Phnom Penh on 31 December 1988.

For the Council of State,

Chairman,

[Signed] Heng Samrin

Heng Samrin Commissions Officers
*BK0301162189 Phnom Penh Domestic Service
in Cambodian 0430 GMT 3 Jan 89*

[Text] At 0700 this morning, a ceremony was held to solemnly confer ranks on KPRAF's senior cadres at the Chamka Mon Presidential Palace. Attending in the presidium were Comrade Heng Samrin, general secretary of the party Central Committee and chairman of the PRK Council of State; Comrade Chea Sim, Political Bureau member of the party Central Committee and chairman of the National Assembly and of the KUFNCD National Council; Comrade Hun Sen, Political Bureau member of the party Central Committee, chairman of the Council of Ministers, and minister of foreign affairs; Comrade Say Phuthang, Political Bureau member of the party Central Committee, vice chairman of the Council of State, and chairman of the party Central Committee's Control Commission; Comrade Chea Soth, Political Bureau member of the party Central Committee and vice chairman of the Council of Ministers; Comrade Mrs Men Sam-an, Political Bureau member of the party Central Committee and chairman of the Central Committee's Organization Commission; Comrade Mat Ly, Political Bureau member of the party Central Committee, vice chairman of the National Assembly, and chairman of the Kampuchean Federation of Trade Unions; Comrade Chan Seng, alternate Political Bureau member of the party Central Committee and vice chairman of the party Central Committee's Control Commission; Comrade Nguon Nhel, alternate Political Bureau member of the party Central Committee and party secretary of Phnom Penh City; Comrade Say Chhum, alternate Political Bureau member of the party Central Committee, vice chairman of the Council of Ministers, and minister of agriculture; Comrade Sar Kheng, alternate Political Bureau member of the party Central Committee and chief of the party Central Committee Cabinet; Comrade Kong Sam-ol, vice chairman of the Council of Ministers and minister attached to the Council of Ministers Cabinet; and Senior Bonze Tep Vong, vice chairman of the National Assembly and of the KUFNCD National Council.

Many members of the party Central Committees, ministers, deputy ministers, and leaders of ministries, offices, party, state, and front institutions, and mass organizations as well as Vietnamese, Lao, and Soviet military attaches were also present.

After the playing of the national anthem and homage to the memory of fallen combatants and after Comrade Chan Ven, secretary general of the Council of State, had read the decree on the conferring of general ranks, Comrade Heng Samrin, general secretary of the KPRP Central Committee and chairman of the Council of State of the PRK, conferred the rank of general on Comrade Bou Thang, vice chairman of the Council of Ministers and chief of the General Political Department of the

Ministry of National Defense; Comrade Tie Banh, vice chairman of the Council of Ministers and minister of national defense; and Comrade Sin Song, minister of the interior.

Afterwards, Comrade Chea Sim and Comrade Hun Sen conferred the rank of lieutenant general on Comrade Ke Kimyan, first deputy minister of national defense; Comrade Pol Saroeun, deputy minister of national defense and chief of the General Staff of the Ministry of National Defense; Comrade Nhim Vanda, deputy minister of national defense and chief of the General Logistics Department of the Ministry of National Defense; and Comrade Soy Keo, deputy minister of national defense.

After that Comrade Chea Sim, Comrade Hun Sen, and Comrade Say Phuthang conferred the rank of major general on Comrade El Vansarat, deputy minister of national defense; Comrade Peng Pat, deputy minister of national defense; Comrade Nuon Sok, deputy minister of national defense; Comrade Nhek Huon, deputy chief of the General Staff of the Ministry of National Defense; Comrade Chay Sangyun, deputy chief of the General Staff of the Ministry of National Defense and commander of the 3d Military Region; Comrade Hul Savoan, commander of the 4th Military Region; Comrade Than Chan, commander of the 1st Military Region; Comrade Un Den, deputy chief of the General Staff of the Ministry of National Defense; Comrade Khim Pon, deputy minister of the interior; Comrade Hong Chan, deputy minister of the interior; Comrade Sin Sen, deputy minister of the interior; Comrade Sam Neat, deputy minister of the interior; and Comrade Loy Sophat, deputy minister of the interior.

After Comrade Masas Loah, deputy minister attached to the Council of Ministers Cabinet, had read the Council of Ministers order on the commissioning of the rank of colonel, Comrade Hun Sen conferred that rank on Comrade Chan Dara, deputy chief of the General Logistics Department; Comrade Pich San, chairman of the Political Commission of the 5th Military Region; Comrade Ham Kin, Cambodian military attache accredited to Moscow; Comrade Phuong Siphon, deputy chief of the General Staff of the Ministry of National Defense; Comrade Che Than, deputy chief of the General Logistics Department; Comrade Bun Kang, deputy chief of the General Logistics Department; Comrade An Sum, deputy chief of the General Political Department of the Ministry of National Defense; Comrade Chieng Am, deputy chief of the General Political Department of the Ministry of National Defense; Comrade Prum Thav, deputy chief of the General Staff of the Ministry of National Defense; Comrade Tham Chan, deputy chief of the General Logistics Department; Comrade Keo Tan, director of the Army Political School; Comrade Um Bot, commander of the 2d Military Region; Comrade Prum Din, commander of the 5th Military Region; Comrade Tham Phay, deputy commander of the 1st Military

Region; Comrade Meas Saophea, chairman of the Combat Commission of the General Staff of the Ministry of National Defense; and Comrade Hing Than, chief of the Crime Prevention Police Department of the Ministry of the Interior.

On this occasion, Comrade General Secretary Heng Samrin made the following speech:

[Begin recording] First of all, on behalf of the party, state, and people of Cambodia as a whole and in my own name, I would like to express great emotion and deepest revolutionary feelings in this solemn ceremony to confer honors on our KPRAF.

The KPRAF under the leadership of the party took origin from the Issarak Army born in 1951. They have firmly preserved the tradition of courageous struggle, won one brilliant victory after another in the struggle against the French colonialists, Japanese militarists, imperialists, and expansionists, and lately toppled the extremely cruel and fascist genocidal Pol Pot-Ieng Sary-Khieu Samphan regime, liberating the nation from the deadly danger of being completely wiped out.

After the country was liberated on 7 January 1979, going through actual fighting and struggle for the past 10 years, carried forward by the revolutionary movements of the masses, supported by the masses of people, and enjoying the precious support of the heroic fraternal Vietnamese Army volunteers, our KPRAF—both the Army and the police—have grown up steadily both in size and quality to the point that they can independently assume the task of defending the motherland and preserving the revolutionary gains, making appropriate contribution to the all-round great common victory of the Cambodian revolution.

Thanks to the growth and maturity of the revolutionary armed forces, our party and state have decided to confer honors on our Army and Police on this occasion to further accelerate the building and strengthening of our Armed Forces so that they can assume the role as the firm support for the whole people to attack the enemy in all conditions and under all circumstances. Therefore, this ceremony to confer ranks on our KPRAF constitutes the first historic event in the history of the building of the KPRAF. It is the trust expressed by our party and state toward the revolutionary armed forces, the pride of the whole nation, the pleasure and delight of the party, people, and Armed Forces as a whole.

Dear comrades and friends, we are firmly confident that the conferring of ranks on the KPRAF will further encourage them to do even better in their building and fighting tasks in the cause of defending the motherland, defending the people, and ensuring the social security and order, thus creating favorable conditions for combat cooperation, for command operations, and for firmly ensuring discipline in each unit and throughout the forces, ensuring the promotion of people of good and

clean character, and preserving the honors of our Revolutionary Armed Forces, bringing about high efficiency on every battlefield. So that this commissioning of ranks can develop the effectiveness and the active character, the leadership and management work must be thoroughly carried out from top to grass-roots levels, learning while drawing lessons, for since the founding of our KPRAF this is the first time that the commissioning of unified ranks is held. For this reason, it can be said that we are far from being experienced in this matter.

After this is widely implemented, we must organize control to ensure that this conferring of ranks is correctly carried out. The important thing is that when you go out of your units, you must pay close attention to carrying out well the ideological work, for the transfer from the old status and positions to the wearing of ranks and grades embodies a number of different concepts. You must clearly understand the objective of the commissioning of ranks which is aimed at ensuring uniformity in leadership and command and at strictly observing discipline. When you are commissioned you must clearly grasp and correctly implement the oath of the Armed Forces. You must preserve and develop the good and clean revolutionary character of the modern army, namely you must be absolutely loyal to the party, the motherland, and the people, dare to make every sacrifice in cause of independence, freedom, and happiness of the people, be absolutely loyal to Marxism-Leninism and socialism, strengthen and develop the bonds of the Cambodia-Vietnam-Laos solidarity and solidarity with the Soviet Union and other socialist countries the world over, and do not allow this commissioning of ranks to cause a gap between the upper level and the subordinate level, keeping the former away from the latter, or bringing a constant rivalry between the two, which can only result in the lessening of the bonds of solidarity. You must neither be opinionated and complacent, refuse to work harder to advance, or have contempt for your comrades in arms to the point of producing gripes and negative reactions. Do not allow the ranks to make you lose reality of things, to overwhelm you, to separate you from the masses, or to become contemptible of the ministries and offices of the party, state, and mass organizations.

Every cadre and combatant must strictly implement this conferring of ranks according to the decree-laws of the state and the regulations of the Ministries of National Defense and of the Interior.

On this occasion, on behalf of the party, state, and people of Cambodia as a whole, I am convinced that after receiving these ranks, the comrade cadres and combatants of the Armed Forces will further develop the traditionally good and clean character of our KPRAF to respond to the requirements of the revolutionary tasks at the stage of advancing toward independently assuming tasks and to become the sharp, trusted instrument of the party, state, and people.

In conclusion, I wish all comrades and friends the best of health and successes in all revolutionary tasks. [applause] [end recording]

To show gratitude to the party, state, and people for their concern and for giving great honors to the KPRAF, Comrade Tie Banh made the following resolution:

[Begin recording] Today, our KPRAF as a whole are extremely delighted and moved to see that the party and state leaders are here to personally confer ranks on cadres and combatants of the Armed Forces at a time when the whole party, people, and Army are making preparations for the celebration of the 10th anniversary of the 7 January victory.

On behalf of the cadres and combatants of the KPRAF, I would like to express heartfelt gratitude to the party and state leaders for always paying close attention on the Army and for spending their precious time in officially conferring ranks on the Armed Forces. This further shows the great attention and high appreciation of the party, state, and people for the struggle, especially the struggle during the past 10 years. This constitutes the greatest honors and pride for the Armed Forces.

Esteemed comrades in the presidium, the honors and pride felt by our Armed Forces today are the crowning achievement of the correct leadership, support, and care given by the party, state, and people to the Armed Forces. The honors and pride are made possible today thanks to the special bonds of solidarity between Cambodia, Vietnam, and Laos and the assistance of the Soviet Union and other socialist countries in the world. For this reason, in order to make a fitting response to the honors and trust accorded by the party, state, and people, on behalf of the entire KPRAF I would like to pledge to spare no efforts to correctly implement the precious advice of the comrade general secretary and to correctly implement the oath of the Armed Forces, which is as follows:

1. Be resolutely loyal to the KPRP; to always set an example in implementing the line and policy of the party and the decree-laws of the state.
2. Be resolutely loyal to the motherland and the people; dare to make all kinds of sacrifices for the independence, freedom, and happiness of the people.
3. Be resolutely loyal to Marxism-Leninism and proletarian internationalism; strengthen and develop the special bonds of solidarity between Cambodian, Vietnam, Laos, the Soviet Union, and socialist countries in the world.
4. Raise vigilance under all circumstances; preserve military secrets and national secrets.
5. Pledge to implement the orders and tasks of the higher authority firmly and effectively.

In conclusion, I wish the comrades in the presidium the best of health. Best health and successes to all comrades and friends. [applause] [end recording]

In a joyous atmosphere full of revolutionary pride, Buddhist monks chanted blessing as a conclusion to the ceremony.

Decree on KPRAF Promotions

*BK0301110189 Phnom Penh Domestic Service
in Cambodian 1300 GMT 1 Jan 89*

["Text" of 31 December Council of State decree-law on KPRAF ranks]

[Text] In light of the Constitution of the PRK, in light of the law on the organization and functioning of the National Assembly and the PRK Council of State promulgated through Decree No 4 dated 10 February 1982, in light of the law on the organization and functioning of the PRK Council of Ministers promulgated through Decree No 3 dated 10 February 1982, in light of Decision No 32 dated 19 November 1979 of the Kampuchean People's Revolutionary Council on the organization, activities, and working system of the Kampuchean People's Revolutionary Council, in light of Decree-Law No 7 dated 13 July 1982 on the authority and legislative procedure and the making of laws and orders, and in accordance with the proposal of the Council of Ministers, the Council of State of the PRK makes the following decision:

Chapter I—General Provisions:

Article 1—The aim of this Decree-Law is to modernize the KPRAF and turn it into a firmly disciplined army which can ensure the successful implementation of the combat tasks of defending the motherland and protecting the revolutionary gains. It defines the responsibilities, duties, honor, and benefits of the KPRAF soldiers.

Article 2—Soldiers are citizens of the PRK who serve in the army. They are given rank according to the positions under their responsibility. Soldiers of the KPRAF are divided into active regulars and reservists.

Article 3—The KPRAF are made up of three categories: 1) Army; 2) Navy; and, 3) Air Force.

Article 4—The hierarchical ranks of the KPRAF soldiers are the officers, noncommissioned officers, and privates.

Chapter II—The Ranks of the Soldiers

Article 5—The KPRAF is divided into:

1) combat forces and 2) specialized and technical forces.

Article 6—The ranks of the KPRAF are:

1) Officers; 2) noncommissioned officers; and, 3) privates.

Article 7—The ranks of the soldiers in the Army and the Air Force are classified from lower to higher grades as follows:

a) Privates—two ranks: private, second class [pol tou] and private, first class [pol aek].

b) Noncommissioned officers—three ranks: sergeant, second class [polabal trei], master sergeant [polabal tou], and sergeant major [polabal aek].

c) The officer ranks are junior field officer ranks, senior field officer ranks, and general officer ranks [anusenei, voraksenei, oddamsenei] and divided into 11 grades as follows:

1. The junior field officer ranks are divided into five grades:

Warrant officer [neay chamnang];

Sub-lieutenant [anusenei trei];

Second lieutenant [anusenei tou];

First lieutenant [anusenei aek bamrong]; and

Captain [anusenei aek].

2. The senior field officer ranks are divided into three grades:

Major [voraksenei trei];

Lieutenant colonel [voraksenei tou]; and

Colonel [voraksenei aek].

3. The general officer ranks are divided into three grades:

Major general [oddamsenei trei];

Lieutenant general [oddamsenei tou]; and

General [oddamsenei aek].

Article 8—The ranks of the Navy are classified from lower to higher grades as follows:

a) Private—two grades: seaman, second class [neavik tou] and seaman, first class [neavik aek].

b) The noncommissioned officer ranks—three grades: petty officer, third class [chakrabal trei], petty officer, first class [chakrabal tou], and chief petty officer [chakrabal aek].

c) The officer ranks are divided into lieutenant [anuneavi], commander [vorakneavi], and admiral [oddamneavi] ranks and have 10 grades as follows:

1. The lieutenant ranks—five grades:

Warrant officer [neay chakrabal];

Ensign [anuneavi trei];

Second lieutenant [anuneavi tou];

First lieutenant [anuneavi aek bamrong]; and

Lieutenant [anuneavi aek].

2. The commander ranks—three grades:

Lieutenant commander [vorakneavi trei];

Commander [vorakneavi tou]; and

Captain [vorakneavi aek].

3. The admiral ranks—two grades:

Rear admiral [oddamneavi trei]; and

Vice admiral [oddamneavi tou].

Article 9—The hierarchical ranks of the soldiers of the specialized and technical units of the three categories of the KPRAF are to be fixed by a sub-decree.

Article 10—Those eligible for the officer ranks are:

a) Soldiers who are competent in combat, work and study well, and have all the qualifications defined in Article 13 or those who have graduated from military academies in the country or abroad.

b) Individuals with second-level secondary education certificates or other equivalent certificates who have graduated from military academies in the country or abroad.

c) Persons who have finished secondary education in the specialized and technical fields or those with at least equivalent certificates.

d) Cadres within the ranks of party and state institutions who are transferred into the armed service with qualifications as mentioned in Article 14. But, if they are transferred into the post of field commanding officers, they must first complete their study at military academies inside the country or abroad.

Article 11—Individuals eligible for the noncommissioned officer ranks are:

a) Soldiers who are competent in combat, work and study well, and have all the qualifications as mentioned in Article 13 or soldiers who have graduated from the noncommissioned officers' training schools.

b) Individuals with certificates from the first-level secondary schools or with equivalent certificates and who have graduated from the noncommissioned officers' training schools.

c) Cadres from the ranks of party and state institutions who are transferred into the armed service with qualifications as mentioned in Article 14. But, if transferred into the post of field commanding officers, they must first complete their study at noncommissioned officers' training schools.

Article 12—The term needed for consideration of inter-rank or inter-grade promotion is fixed as follows:

a) The Army and Air Force:

After completing the training course, newly enlisted soldiers will be given the rank of privates, second class. Privates, second class, will be promoted to privates, first class, within 6 months. Privates, first class, will be promoted to sergeants, second class, within 1 year. Sergeants, second class, will be promoted to master sergeants within 1 year. Master sergeants will be promoted to sergeant-majors within 1 year. Warrant officers will be promoted to sub-lieutenants within 2 years. Sub-lieutenants will be promoted to Second lieutenants within 3 years. Second lieutenants will be promoted to first lieutenants within 3 years. First lieutenants will be promoted to captain within 3 years. Captains will be promoted to majors within 4 years. Majors will be promoted to lieutenant colonels within 5 years. Lieutenant colonels will be promoted to colonels within 5 years.

b) The Navy:

After completing the training course, newly enlisted soldiers will be given the rank of seamen, second class. The seamen, second class, will be promoted to seamen, first class, within 6 months. Seamen, first class, will be promoted to petty officer, third class, within 1 year. Petty officers, third class, will be promoted to petty officers, first class, within 1 year. Petty officers, first class, will be promoted to chief petty officers within 1 year. Warrant officers will be promoted to ensigns within 2 years. Ensigns will be promoted to second lieutenants within 3 years. Second lieutenants will be promoted to first lieutenants within 3 years. First lieutenants will be promoted to lieutenants within 3 years. Lieutenants will be promoted to lieutenant commanders within 4 years. Lieutenant commanders will be promoted to commanders within 5 years. Commanders will be promoted to captains within 5 years.

The consideration to commission and promote the ranks of generals and admirals depends on the country's needs and the political virtues, level of capabilities, and sacrifices of each soldier, and is bound by no time limits.

The length of time spent by each officer sent to school by the Defense Ministry will be added to the term for promotion.

Article 13—The consideration to commission and promote the ranks and grades of soldiers must depend on the nation's needs, the political virtues, level of capabilities, physical conditions, inter-rank and inter-grade duration, feats, and sacrifices made for the revolution by each soldier.

Article 14—Consideration to commission and promote to appropriate ranks the cadres and personnel of party and state institutions who have been transferred into the armed services must be based on their political virtues, levels of capabilities, status, and salaries.

Article 15—Soldiers who have special feats in combat or in work and soldiers assigned to rugged regions who have fulfilled their tasks well might be entitled to priority consideration for promotion of ranks or grades, or given promotion ahead of time. However, the period of this special promotion must not be less than half of the set terms mentioned in Article 12.

Article 16—During combat, any soldier who is assigned to a position higher than his own rank and fights valiantly on the battlefield, successfully fulfilling the assignment, will be taken into consideration for promotion appropriate to his position regardless of the set term mentioned in Article 12.

Upon returning to the rear, soldiers who are wounded on the battlefield will be given a 1-step promotion regardless of the set term necessary for promotion as mentioned in Article 12, if it is suitable.

Fallen soldiers will be given a 1-step promotion regardless of the set term mentioned in Article 12.

Article 17—Promotion of soldiers who violate army discipline and are penalized by warnings or demotion must be postponed. But this must not be more than 4 years. If it exceeds 4 years, the names of the said soldiers must be erased from the Army.

Article 18—Promotion of any soldier whose time for promotion is due but who still does not have sufficient qualifications as mentioned in Article 13 must be postponed. However, the postponement of promotion must not surpass the term fixed in Article 12. If within this postponement, the said soldier still is not qualified, he must be discharged from the Army or transferred to another unit.

Chapter III—The Competence in Commissioning, Promoting, and demoting in Ranks or Grades:

Article 19 —a) The competence in commissioning and promoting soldiers must be fixed as follows:

a) The commission and promotion of the general and admiral officer ranks are decided by the Council of State at the recommendation of the Council of Ministers.

b) The commission and promotion of the senior field officer and commander ranks are decided by the Council of Ministers at the recommendation of the National Defense Ministry.

c) The commission and promotion of ranks from captain and naval lieutenant down are decided by the National Defense Ministry at the recommendation of the units concerned.

The National Defense Ministry has the right to delegate competence to the lower authority in promoting ranks from second lieutenant to private, second class, except the commissioning of new officers.

Each inter-rank and inter-grade promotion must be made one step at a time.

Article 20—The level competent in commissioning and promoting soldiers to a certain rank and grade has the right to demote them to the same rank or grade.

When need arises to promote or demote many ranks or to decommission soldiers, the following applies: The general and admiral officer ranks must be decided by the Council of State; the senior field officer and commander ranks must be decided by the Council of Ministers; the junior field officer and naval lieutenant officer ranks downward must be decided by the National Defense Ministry.

Article 21—The set time needed before consideration for the repromotion in ranks and grades of a demoted soldier can be made must be calculated from the day the decision to demote him was signed. In case this soldier has amended his behavior, produces outstanding feats in combat, or fulfills his task well, he is entitled to consideration for promotion in ranks or grades before the set term mentioned in Article 15.

Article 22—Soldiers must wear uniforms and bear their insignias and badges correctly in accordance with the regulation of the KPRAF. The insignias and badges of ranks must be defined by the Council of Ministers.

Article 23—Soldiers are to receive salaries and other rations according to their position, rank, and grade. Salaries and rations must be set by the Council of Ministers.

Chapter IV—Epilogue

Article 24—Any regulations contrary to this Decree-Law must be considered null.

Article 25—The Council of Ministers is in charge of implementing this Decree-Law.

Article 26—This Decree-Law go into judicial effect as of the day it is made public.

[Dated] Phnom Penh, 31 December 1988

[Signed] For the Council of State, Chairman Heng Samrin

Bou Thang Explains Rank System

BK0401102889 Phnom Penh Domestic Service
in Cambodian 1200 GMT 3 Jan 89

[Text] After the party and state had commissioned the Armed Forces, Comrade General Bou Thang, Political Bureau member of the party Central Committee, vice

chairman of the Council of Ministers, and chief of the General Political Department of the KPRAF, granted an interview to the national media correspondents at the 13 October Guest House in the afternoon of 3 January 1989.

Speaking about the significance and objective of the conferring of ranks on the Armed Forces, Comrade Bou Thang stressed:

[Begin recording] This is the first time in the history that our party and state have organized a ceremony to confer ranks on the KPRAF in order to mark the hierarchical ranks, grades, and status of each soldier. My opinion is that this is a great honor for the cadres and combatants of the KPRAF. It is recognition of the maturity, both quantitative and qualitative, of the KPRAF and is aimed at more vigorously accelerating the implementation of tasks at present as well as in the future. [Words indistinct] In fact, this conferring of ranks [words indistinct] on our KPRAF is aimed at improving their organization and command and preserving their discipline so that step by step our Armed Forces are built into a modern army of our Cambodian people's working class.

This conferring of ranks on our KPRAF conforms with the necessary objective conditions of an army which has come of age [words indistinct] this conferring of ranks on our Army will further facilitate combat coordination on the battlefields as well as other struggles which will produce greater results. It will also facilitate the control of discipline, which is necessary to bring efficiency to our Army. At the same time, it will raise the conscience of the soldiers, making them more disciplined and giving a better opportunity to have gentle contacts with the party and state institutions as well as with the masses outside the Army. It will firmly preserve the good and clean character of the KPRAF and enable them to honorably maintain their relations with the masses. Moreover, it is aimed at developing the efficiency and strengthening the activities as well as the leadership and command of the Army [words indistinct].

I would like to tell all comrades that after our cadres and combatants throughout the country have received ranks, they must grasp and understand a number of tasks. In fact, we must correctly implement the oath of the KPRAF and preserve and improve their character to be worthy of being a modern army. They must be resolutely loyal to the KPRP, set examples in implementing the policy and line of the party and laws and decrees of the state, remain absolutely loyal to the motherland, and make all kinds of sacrifices in the cause of independence, peace, and happiness for the motherland and the people. They must be absolutely loyal to Marxism-Leninism and proletarian internationalism and relentlessly strengthen and develop the spirit of special solidarity between Cambodia, Vietnam, Laos, the Soviet Union, and fraternal socialist countries in the world, raise the sense of revolutionary vigilance under all circumstances, keep

military secrets and national secrets, and resolutely pledge to firmly abide by all orders and tasks given by the higher authority under all circumstances.

[Words indistinct] after everyone has received his ranks and grades, he should not allow this commissioning of ranks to cause a gap between the superior level and the subordinate level [words indistinct] We must preserve the good relations between levels, between the Army and the party and state institutions, and between the Army and the masses, making these relations better and more effective. Do not be either self-opinionated or complacent, refuse to carry out tasks, or have contempt for other [words indistinct]. We must remain worthy of being the Army of the Cambodian people. After being commissioned, it is not permitted to become overwhelmed, to be careless, or to abuse the ranks and positions to be contemptible or violate laws and revolutionary line or to threaten and intimidate the masses and people. This is resolutely prohibited.

Thirdly, we must continue the study thoroughly. The Defense Ministry and the General Political Department will come up with specific plans to intensify the training of cadres and combatants throughout the Army so that they can understand the meaning of the conferring of ranks on our Army in order to make our Army deserve being an army born out of the people and fighting for the people. This is the goal as well as the conditions set for the commissioning of our KPRAF. [end recording]

PRACHEACHON Hails KPRAF Ranks

BK0401062589 Phnom Penh Domestic Service
in Cambodian 2300 GMT 3 Jan 89

[PRACHEACHON editorial: "Historic Event of the Kampuchean People's Revolutionary Armed Forces"]

[Text] Drawing near to the 10th anniversary of our 7 January national day, in response to the growth of our KPRAF, both the Army and police forces, the Councils of State and of Ministers have issued decree-laws and sub-decrees to commission ranks in the KPRAF.

This is one of great, historic events of the KPRAF since the time they were born from the people and have consistently tempered themselves in the struggle against the colonialists and imperialists to the time the people and the motherland were liberated from the danger of genocide, as well as in the past 10 years when they have been striving to rebuild themselves while struggling to defend the motherland and the revolutionary gains.

As the Cambodian revolution advances, the increasing growth and stability of the KPRAF is marked by the fact that our army and police forces have been built into a fully systematic and unified army which is led and commanded from top to bottom levels.

Our Armed Forces have tempered themselves by going through actual combat, expanding the revolutionary ethics of the Issarak Army, and relentlessly increasing their fighting will and capabilities, thus creating favorable conditions for the Vietnamese Army volunteers to fulfill their internationalist duties and return home step by step.

This is an appropriate honor and source of pride which clearly attests to the responsibility in the cause of combat and Army buildup assigned by our entire party and people to the armed forces which, from now on, must strive more vigorously to successfully respond to the requirements of the new tasks which are larger and heavier.

As the oath of the KPRAF states—to forever preserve the good and clean revolutionary character, be absolutely loyal to the party and motherland, and dare to make every sacrifice for the motherland and the happiness of the people—it has been clearly defined that this commissioning of ranks is aimed at ensuring uniformity in leadership and command and at strictly observing discipline. It is not aimed at keeping the superior level away from the subordinate level; causing comrades in arms to become aloof toward each other, rival with each other, lessen unity, become self-opinionated and complacent, refuse to work harder in order to advance, have contempt for others, and separate themselves from the masses.

All cadres and combatants must strictly implement this commissioning of ranks according to the state's decrees and laws, thus rendering themselves worthy of being the sharp tool of the party, worthy of the trust of the party, state, and people. Cadres and combatants must constantly continue to enhance their traditionally good character; unite as one man; fight for the motherland and people; strive to build the Armed Forces so as to make them even more modern, powerful, and firmly disciplined; be absolutely loyal to the party; wholeheartedly love and respect the people; and strive to absolutely get rid of such bad attitudes as bureaucratism, favoritism, greed, and disobeying army discipline.

The honor, responsibility, obligations, and duties in response to the requirements in the new revolutionary stage are all heavy and immense but very noble. The commissioning of ranks should bring about new efficiency in the combat cooperation on every battlefield; create favorable conditions for command operations and for preservation of discipline and order; strengthen close relations between cadres and combatants; and enhance the Armed Forces' affection and respect for the people, thus rendering themselves worthy of being the people's army and police forces which work for the people.

The commissioning of ranks, an historic event for the armed forces will certainly contribute to enhancing the sense of responsibility as the masters to independently assume the tasks to defend the motherland and the revolutionary gains even more effectively in this new revolutionary stage.

The entire KPRAF pledges to vigorously expand the traditionally good character of the Issarak Army, effectively implement their tasks as the core for the people, and join with the people in fighting the enemy, striving resolutely to defend the border—the fence to ensure the security and peace of the interior—and all communes, villages, and localities which are of strategic significance to us.

Decree-Law on People's Police Ranks

BK0301112389 Phnom Penh Domestic Service
in Cambodian 1300 GMT 1 Jan 89

[31 December Council of State decree-law on the hierarchical ranks of the People's Police—read by announcer]

[Text] In view of the Constitution of the PRK, in view of the law on the organization of the National Assembly and PRK Council of State promulgated through Decree No 4 dated 10 February 1982, in view of the law on the organization and function of the PRK Council of Ministers promulgated through Decree No 3 dated 10 February 1982, in view of Decree-Law No 39 dated 31 December 1988 on the amendment of the organization, role, and duty of the Ministry of the Interior, in view of Decree-Law No 7 dated 13 July 1982 on the authority and legislative procedure and the making of laws and orders, and in accordance with the proposal of the Council of Ministers, the PRK Council of State makes the following decision:

Chapter I—General provisions

Article 1—The objective of this Decree-Law is to quickly and smoothly build and modernize the People's Police and make it highly effective in operations and combat so that it can contribute to defending and building a strong Cambodian motherland. It defines the responsibilities, honors, and benefits of the People's Police.

Article 2—The People's Police are citizens of the PRK who serve in the force defined in Article 3. They are given rank according to the functions under their responsibility.

Article 3—The People's Police consists of the Security Forces, including the Border Security Forces, the Police Forces, including the Fire Prevention and Control Police Forces, and the Special Forces.

Article 4—The hierarchical ranks of the People's Police are: police officers; police noncommissioned officers; and, police privates.

Chapter II—The Ranks of the People's Police

Article 5—The ranks and grades of the People's Police are as follows:

1. Police privates—two ranks: private, second class [pol tou] and private, first class [pol aek].
2. Police noncommissioned officers—three ranks: sergeant, second class [polabal trei], master sergeant [polabal trer], and sergeant major [polabal aek].
3. Police officers—10 ranks:

a. Junior officers—four grades: sub-lieutenant [anusenei trei], second lieutenant [anusenei tou], first lieutenant [anuseinei aek bamrong], and captain [anusenei aek].

b. Senior officers—three grades: major [voraksenei trei], lieutenant colonel [voraksenei tou], and colonel [voraksenei aek].

c. General officers—three grades: major general [oddamsenei trei], lieutenant general [oddamsenei tou], and general [oddamsenei aek].

Article 6—The term needed for consideration of in-rank and in-grade promotion of police officers, police non-commissioned officers, and police privates of the People's Police is fixed as follows:

Private, second class, to private, first class: 6 months; private, first class, to sergeant, second class: 1 year; sergeant, second class, to master sergeant: 2 years; master sergeant to sergeant major: 2 years; sub-lieutenant to second lieutenant: 3 years; second lieutenant to first lieutenant: 3 years; first lieutenant to captain: 3 years; captain to major: 4 years; major to lieutenant colonel: 5 years; lieutenant colonel to colonel: 5 years.

No time limit is set for the promotion from sergeant major to sub-lieutenant. The promotion to the general ranks has no time limit. It is done according to the needs of the nation.

Article 7—Individuals eligible for police noncommissioned officer ranks include:

1. Policemen who fulfill combat duty, work and study well, have all the qualifications as mentioned in Article 10, and have completed study in police noncommissioned officers training schools. However, in case they have special qualifications, there is no need for them first to come through these above-mentioned training schools.

2. Persons with first-level secondary education certificates or other equivalent certificates and have completed study in police noncommissioned officers training schools.

3. Cadres, personnel, and specialized and technical workers in the ranks of the party and state institutions who have transferred their duty to the service of the People's Police must depend on the request of the Ministry of the Interior and on the political virtues, cultural degrees, status, salaries, and the fact that they have completed study in police noncommissioned officers training schools.

Article 8—Persons eligible for police officer ranks are:

1. Any policemen or police noncommissioned officers who fulfill their combat duty, work and study well, have all qualifications as mentioned in Article 10, and have completed study in police officers training schools inside the country or abroad. However, in case of special qualifications, there is no need for them first to go through these above-mentioned training schools;

2. Persons with second-level secondary education certificates or other equivalent certificates who have completed study in police officers training schools inside the country or abroad;

3. Persons who have completed specialized or technical secondary education and completed study in police officers training schools inside the country or abroad;

4. Specialized and technical cadres in the ranks of party and state institutions who have transferred into the service of the People's Police must depend on the request of the Ministry of the Interior and on their own political virtues, cultural degrees, status, and salaries and have completed study in police officers training schools inside the country or abroad.

Article 9—Police officers from captains up must go through a political and theoretical or special-technical course before they can be considered for in-rank and or in-grade promotion. However, if necessary, this stage may be bypassed.

The contents and duration of the study must be fixed by the Ministry of the Interior.

Article 10—The consideration, commission, and promotion in ranks or grades of the People's Police must rely on the sacrifices, political virtues, operational capabilities, and current assignments. The term for promotion in ranks or grades will accord with the set framework.

Article 11—The duration of study in training schools at home and abroad must be added to the term needed for consideration of promotion in ranks and grades.

Article 12—People's Police officers who are outstanding in combat and operations and in fulfilling tasks in difficult and complex regions or in carrying out special assignments and who accomplish them well may be entitled for consideration of promotion in ranks and grades or may be entitled to the promotion ahead of the set time. However, this must not be less than half of the set terms mentioned in Article 6.

Article 13—The flag of the People's Police, insignias, badges, and ceremonial uniforms of the People's Police must be fixed by a ministerial order.

Chapter III—On the competence in commissioning, promoting, and demoting in ranks

Article 14—Competence in commissioning and promoting ranks or grades of the People's Police must be decided as follows:

a. The commission and promotion of general ranks must be decided by the Council of State at the recommendation of the Council of Ministers.

b. The commission and promotion of senior officer ranks must be decided by the Council of Ministers at the recommendation of the Ministry of the Interior.

c. The commission and promotion of ranks from captain downward must be decided by the Ministry of the Interior at the recommendation of the units concerned.

Each promotion in ranks or grades can be made one step at a time.

Article 15—A level competent in commissioning and promoting police officers to certain ranks or grades has the right to demote them by or remove them from the same ranks or grades.

Article 16—The set time needed before consideration for repromotion in ranks or grades of a demoted policeman can be made must be calculated from the day the decision to demote him was signed. In case the people's

policeman in question has amended his behavior, produces excellent feats in combat, or fulfills his task well, he is entitled to consideration for promotion in ranks or grades prior to the set time mentioned in Article 6.

Article 17—People's policemen receive salaries and other rations according to their position, rank, and grade. The obligations and allowances enjoyed by the People's Police must be fixed by a ministerial order.

Chapte/ IV—Epilogue

Article 18—Any regulations contrary to this Decree-Law must be considered null.

Article 19—The Council of Ministers is in charge of implementing this Decree-Law.

Article 20—This Decree-Law goes into judicial effect as of the day it is made public.

[Dated] Phnom Penh, 31 December 1988

[Signed] For the Council of State, Chairman Heng Samrin

Circular on Awards for Returned 'Misled Persons'
BK3112045288 Phnom Penh Domestic Service
in Cambodian 1300 GMT 30 Dec 88

[Council of Ministers circular on policy toward misled persons and those with outstanding achievements in proselytizing work on the 10th anniversary of the 7 January National Day]

[Text] In the current situation, in order to encourage core soldiers and officers who have been carrying out activities beneficial to the revolution and the people, and in order to encourage cadres, combatants, personnel, workers, and all strata of people who have carried out activities to persuade enemy soldiers and officers to return to their families and the revolution, and to achieve better results and further promote the movement, the Council of Ministers issues the following directives:

1. Misled persons who return to the revolution between 1 and 31 January 1989 and bring with them weapons or important war materiel and documents will receive twice the amount of awards stated in the decision of the ministerial network dated 1 September 1987. Those compatriots who bring gold and silver from the enemies will be allowed by all levels of state authorities to keep all of it and security will be provided as well. If these compatriots reveal arms and food caches and lead our Army and state authorities to seize food supplies, medicine, military materiel, gold, silver, [words indistinct], all this will be handed over to them except war materiel and important documents. Those with outstanding achievements in this task will receive twice the amount of awards stated in the decision of the ministerial network. This award is based on the quality and quantity of the war materiel.

2. Soldiers and all levels of officers of Cambodian reactionary forces with outstanding achievements who want to take part in defending and building the Cambodian motherland will be considered by relevant revolutionary state authorities which will assign them duties according to each person's capacity.

3. Cadres, combatants, personnel, workers, and people who discover the enemies' food caches and lead our state authorities, Army, and police to seize them, will receive all that is seized except any war materiel and important documents. Appropriate awards will also be offered as stated in point 1 above.

The cabinet of the Council of Ministers, all central ministries and services, and provinces and municipalities should widely disseminate this circular which is effective from 1 to 31 January 1989.

Indonesia

Suharto Receives First EC Envoy's Credentials
BK0401101189 Jakarta ANTARA in English
0918 GMT 4 Jan 89

[Text] Jakarta, January 4 (OANA/ANTARA)—President Suharto on Wednesday [4 January] at the State Palace received the credentials of Robert Paul van der Meulen, the first European Community ambassador to Indonesia.

The EC also has ambassadors in three other ASEAN capitals, namely Manila, Bangkok and Kuala Lumpur.

Indonesia has had its own ambassador to the EC in Brussels, Belgium, for years. The ambassador at present is Atmono Surjo.

Both President Suharto and Ambassador Van der Meulen expressed hope that with the presence of an EC ambassador in Jakarta, cooperation between Indonesia and the EC as well as with the EC countries bilaterally could become smoother.

On the occasion, the plan for a single European market as of 1992 was also touched between the two dignitaries. Ambassador Van der Meulen expects the single European market to open a bigger market for the developing countries, including Indonesia.

He said that so far the EC market has absorbed about 20 percent of the raw materials exported by the developing countries, compared to those imported by the United States (14 percent) and by Japan (9 percent).

Ambassador Van der Meulen was accompanied to the State Palace by Foreign Minister Ali Alatas.

Slow Process on East Timor Opening Criticized
BK0501073689 Jakarta THE JAKARTA POST
in English 3 Jan 89 p 4

[Editorial: "Slow Action E. Timor"]

[Text] Apparently East Timor province is not quite open yet—or, to use the preferable official phrasing, has yet to realize its equal status with other Indonesian provinces—as has been pronounced quite a number of times.

A few cabinet members lately e.g. Minister Coordinator for Political and Security Affairs Sudomo and Home Affairs Minister Rudini, and quite recently during a Christmas celebration in Dilli, the armed Forces Commander Gen. Tri Sutrisno, have stated that as of Jan. 1, East Timor province would enjoy the same status as other provinces in the sense that no special restrictions would hamper the human and telecommunications traffic across East Timor provincial borders.

Understandably, since the security situation of a number of regencies in East Timor province are sometimes still affected by the activities of the few Fretilin members left, officials have to apply special precautions by screening the visitors to those areas.

However, top policy decisions on certain matters in this country require a considerable lead time before they can be implemented out in the field.

That sort of bureaucratic inertia is openly admitted to by the Kupang, capital of East Nusa Tenggara province, Col Joko.

This military officer, who is responsible for the security situation in the western part of Timor Island, belonging to East Nusa Tenggara province, openly admitted as of last Sunday, that he had yet to receive clear instructions in executing the new policy announced in Jakarta. Thus, regrettably, Col Joko had to stick to the old regulation that required visitors to East Timor to get special travel permits.

We hope the central government by now realizes the urgency of overcoming this delay in issuing follow-up instructions to provincial officials and security officers in order to realize the stated policy of opening up East Timor province according to the original schedule.

An open discussion on the remaining security-risk areas in that province should also be made possible.

With all the experience of the Indonesian Army in conducting counter guerrilla operations and what we in Indonesia usually refer to as "territorial activities"—better known as non-military efforts "to win the hearts and minds of the people"—why does it take so long to persuade a few hundred of these poorly equipped and diseaseridden insurgents to give up their senseless resistance?

Is there a clearly-outlined plan and a fixed time-table to establish full security throughout East Timor province? Is the advice of those persons who possess an intimate socio-anthropological knowledge of East Timor given heed?

Basically, East Timor is a Indonesia's success story. Considering the backward situation in that territory as a result of Portugal's very rigid and sordid colonial policy, the changes that have taken place during the past 12 years are simply remarkable.

This should give us confidence to discuss the existing shortcomings and unfinished business in East Timor openly in order to formulate better policies.

This willingness to discuss the developments in East Timor openly, and to appreciate constructive suggestions, is the most effective attitude to neutralize foreign criticism, usually based on ignorance of the real situation in that area.

Hence, the policy decision to open up East Timor province should be executed without unnecessary bureaucratic delay.

Autobiography Says Suharto To Resign in 1993
BK0501071289 Jakarta THE JAKARTA POST
in English 31 Dec 88 p 1

[Text] Jakarta (JP): President Suharto says in his new autobiography, which will be on sale in February, that he believes he is now serving his final terms as president.

Suharto, 67, says that "If I can accomplish this term in 1993 I'll be 72 when I resign." Considering that the life expectancy for Indonesians is 56, the age of 72 years is above average. "That is old enough," he says.

He says that his children also share the same opinion. "So it is not exaggerating when one says that my installation as president on March 11, 1988, was the last one for me."

The 557-page autobiography told to Gufron Dwipayana and Ramadhan KH is entitled *Suharto: Pikiran, Ucapan dan Tindakan Saya* (Soeharto: My Thoughts, Sayings and Deeds). It is published by PT Citra Lamtoro Gung Persada, a new publishing house.

According to the writers who reported to the President yesterday about the publication of the book, it will be published in two editions: a deluxe hard cover which will be sold at Rp [rupees] 21,000 a copy and in paperback (Rp 6,000 a copy). A few copies have been printed but Suharto corrected the spelling of some proper names. "The rest is okay," said Dwipayana, head of the press and documentary section of the state secretariat and Ramadhan, a novelist.

The autobiography consists of 102 chapters in which the president speaks in simple language about his experiences and opinions about various national issues.

Speaking about the vice presidential election last March, Suharto says that if there are two candidates for the post, their supporters should ask the president-elect which one he can cooperate with.

About the refusal of PPP (United Development Party) to withdraw its candidate Jailany Naro after the ruling faction, Golkar, supported by ABRI (armed forces), nominated Sudharmono, the President says that he told PPP leaders who went to see him on the eve of the election: "It is no use for you to try to remain steadfast on the nomination while you will be defeated. With your attitude the PPP will only show to the people that it has participated in a Pancasila training but has not implemented the state ideology."

He says that on the following day when he arrived at the MPR (People's Consultative Assembly) for his installation, he asked speaker Kharis Suhud "How about PPP?"

"Last night its leaders held a long meeting. If it refused to withdraw its candidate, a vote is unavoidable," Kharis said.

"Imagine if the vote really took place," Suharto says in the book.

After the installation Kharis told him in the elevator that he had received a letter from PPP but had not opened it. Soeharto told the speaker. "Open it." The letter reported that PPP had given up the nomination.

Suharto also speaks about various ministers and his other assistants. He says that many people have misunderstood his relationship with Minister of Research and Technology B.J. Habibie. "I don't treat him as a special person. I give equal opportunities to all but he proved himself able to do things..."

On the late Ali Murtopo, his personal assistant and minister of information: "Many believed that he decided everything for the government. It might be caused by the fact that he spoke well, he was brave or as my personal assistant he was the one everything depended upon. It is not true. After his death the government runs as well as before."

On another personal assistant, the late Sujono Husmardani: "Many people also believed that he knew about kebatinan (Javanese mysticism) better than me. Sujono himself respected me as an elder who knew better about the belief."

On the dissident Group of 50: "They believe they are able to do everything but they don't feel that they don't know many things."

Speaking about the 1984 riots in the Jakarta port of Tanjung Priok where a number of people were killed, Suharto says: "Some persons who regarded themselves as leaders incited people to oppose Pancasila as the sole ideology for all organizations. They misunderstood the real situation. They believed that our consensus would replace religions with Pancasila. They incited the people to revolt against the government."

"They are like Dharsono (former ASEAN secretary general), who believed the authorities would never be brave enough to arrest him because he had been a military commander. He believed he was so influential. But why had we to be afraid of him? This is a country which respects the rule of law. Law violators should be held responsible for their crimes."

Laos

Souban Salitthilat on Talks With U.S. Delegation
BK0501033589 Vientiane Domestic Service in Lao
0000 GMT 5 Jan 89

[Station correspondent report on Souban Salitthilat, deputy minister of foreign affairs, viewing about his talks with a U.S. delegation led by Richard Childress, director of Asian affairs of U.S. National Security Council—date and place not given]

[Text] A U.S. delegation led by Richard Childress, director of Asian affairs of the U.S. National Security Council, visited Laos recently. During the visit, the delegation held consultations with the Lao side on the relations between Laos and the United States. Regarding this, Souban Salitthilat, deputy minister of foreign affairs, told our correspondent as follows:

[Begin recording] [Souban Salitthilat] This visit by the U.S. delegation is considered significant, because the purposes of the visit are to review the cooperation and relations between the United States and Laos and to seek ways and means to strengthen the bilateral relations in the years to come. Viewing the composition of the delegation, we can see that this U.S. delegation is truly significant, because it is led by a high-ranking official of the White House and its members comprise representatives from the State Department, the Defense Department, the Commerce Department, and the National League of POW/MIA Families. We note that this is the first time that representatives from the Commerce Department are included in a U.S. delegation ever paid a visit Laos since the establishment of the LPDR.

With regard to mutual assistance, there are many fields to cover. The U.S. side views the narcotics issue as its basic and global policy. That is why the U.S. side has proposed to help us eliminate the planting of poppies and marijuana as well as the illegal opium and marijuana trafficking. The U.S. side considers this a bilateral assistance, meaning an assistance given directly to Laos without passing through the United Nations or any other

international organization or any private organization. In principle, we are pleased to accept the proposed assistance from the U.S. Government. On the form of the assistance, we have suggested that experts hold consultations to discuss details on particular projects. Our Lao side has said that to make the people stop planting poppies, we must think about means to help them improve their living conditions. Should the consultations be held to discuss a joint project to eliminate or reduce the poppy or marijuana plantation, it should be clearly noted in the project how to develop the areas where the poppy or marijuana plantation is banned or limited. The project must cover many aspects, for example, the types of crops to be planted in place of the poppies, the building of roads leading to the development areas, the building of hospitals and schools, the setting up of electrical service, and other utilities. This is to show to those people who have planted poppies that after stopping the poppy plantation, their living conditions will certainly be improved. If a project like this is adopted, we think we can accept it. For this reason, both sides have agreed that technical groups hold consultations to discuss the issue.

We have informed the U.S. side of the drought disaster in our country. Regarding this, the Lao Government has not yet made an official request to a government of any country. We have only notified embassies of various countries here of the issue. Now, I have notified the problem to the U.S. delegation and the U.S. delegation understands that this year's drought is worse than those in previous years in which the United States also rendered aid to us. In 1988, the United States gave us 5,000 metric tons of rice as aid. In 1987, the United States also gave us 5,000 metric tons of rice. In light of the serious drought this year, the U.S. side understands that our Lao side badly needs assistance in this field to meet the requirements of the people who are facing the drought disaster. The U.S. delegation has sincerely agreed to report the matter to its government for consideration to supply the requirements to the Lao government.

[Unidentified correspondent] What is your views on cooperation in searching for American soldiers missing in action during the past war? What do you think about the attitude of the U.S. side on this issue?

[Souban Salitthilat] The U.S. side considers the MIA issue a national policy. The Lao Government considers it an humanitarian issue. So does the U.S. side. The problem of losses resulting from the war in Laos, be it the loss in property or life, is considered an humanitarian issue. Therefore, both sides are required to supply each other with humanitarian requirements. The U.S. side wants to make more excavations to search for those who were killed during the war. The Lao side wants the U.S. side to supply humanitarian requirements for the losses that Laos suffered during the war. Both sides understand each other's requirements. The governments of both sides maintain a clear policy to give cooperation to each other. Following the consultations on this occasion, the

two sides have agreed to have technical groups meet again late this month to discuss annual plans, both for the dry season and rainy season, to search for information or to engage in an excavation to find skeletons of the American MIA's and to lay out plans on what the Lao side should do to meet the requirements of the U.S. side throughout this year. I am convinced that the technical committees of both sides will hold consultations in the spirit of improving the bilateral relations. [end recording]

Regarding the respect of each other's independence and sovereignty, though the United States pledged to implement the agreement as already reached, of late it was apparent that exiled Lao reactionaries in Burma were supported by the United States to carry out activities to sabotage the LPDR. On this issue, Souban Salitthilat said:

[Begin Souban Salitthilat recording] In fact, the papers both in Burma and the United States carried news reports that in the fighting between the Burmese, remains of Lao nationals were found with documents issued by the United States. It was also found out that one of the remains was that of a leader in the anti-Laos movement based in the United States. I raised this issue for discussion with the U.S. delegation, reiterating that we will continue to respect the principles on the relations as stipulated in the joint communique of 1987 signed between the two delegations. In reply, the U.S. side pledged that the U.S. Government will respect the independence, sovereignty, and territorial integrity of Laos and that it will not interfere in the internal affairs of Laos, no matter whatever form it may be. The U.S. side said it will not support the reactionaries or anybody opposing the LPDR Government.

At the same time, the head of the U.S. delegation, Mr Childress, also said that upon his return to his country, he will hold consultations with third countries whose territories from where exiled Lao reactionaries have carried out activities in opposition to the LPDR. I am of the view that this attitude reflects the sincerity of the U.S. side which does not want the problem of exiled Lao reactionaries to become an obstacle to the strengthening of the relations between the two countries. [end recording]

U.S. Group Donates Funds to Lao 'Rebels'
BK0501055189 Bangkok MATICHON in Thai
5 Jan 89 p 4

[Text] Vientiane—Ted Sampley, president of a group of U.S. war veterans campaigning for the release of U.S. prisoners believed detained in Indochinese countries, disclosed on 3 January that a U.S. citizen had donated \$5,000, or about 125,000 baht, to his group and that it has decided to give the money to Lao rebels for use in toppling the Lao Government. Sampley said he felt the only way to gain the release of U.S. prisoners is by toppling the communist Lao Government.

Earlier, the same group floated balloons into Laos and released floats in the Mekong River to publicize its cash offer for information about U.S. soldiers missing in action in Indochina.

Kaysone Phomvihane Leaves for Phnom Penh

BK0501094489 *Vientiane KPL in English*
0907 GMT 5 Jan 89

[Text] Vientiane, January 5 (KPL)—A Lao party and state delegation led by Kaysone Phomvihane, general secretary of the LPRP CC, chairman of the Council of Ministers of the Lao PDR, left here this morning for the People's Republic of Kampuchea to take part in the celebration of the 10th national day of the PRK (January 7) at the invitation of the Kampuchean party and government.

Seeing the delegation off at the airport were: Politburo members of the LPRP CC—Nouhak Phoumsavan, Phoumi Vongvichit, Sisomphon Lovansai, Sisavat Keobounphan, Sali Vongkhamsoo; Secretary of the LPRP CC Somlat Chanthamat; members of the LPRP CC; ministers and other high-ranking officials.

Long Kem, extraordinary and plenipotentiary ambassador of the PR of Kampuchea to Laos, and the embassy staff were also present at the airport.

Trade Official Discusses 1988-89 Trade Work

BK0401035189 *Vientiane Domestic Service in Lao*
0530 GMT 3 Jan 89

[Station correspondent's report on "interview" with Loi Chansavat, deputy minister of trade and foreign economic relations, on "trading work" in 1988 and 1989; date and place of interview not given]

[Excerpts] [Passage omitted] With regards to our trading with foreign countries, Loi Chansavat, deputy minister of trade and foreign economic relations, said: Even though the purchase of goods for export has faced certain difficulties, the ministry has given close attention to providing guidance to various companies by adopting drastic measures, both economically and administratively, to help those companies affiliated with the ministry to purchase goods for export more conveniently, primarily with a view to fulfilling goods exchange obligations with socialist countries—the USSR in particular. In this regard, we have managed to fulfill about 95 percent of the targets, thus creating favorable conditions for exporting goods from Laos to socialist countries.

As for importing goods from socialist countries, by November 1988 we managed to fulfill about 88 percent of the annual targets. In 1988 we fulfilled our export targets to the USSR 100 percent. If we desire to export more goods from these countries in the future, it is necessary that we boost goods production in order to exchange products with those countries.

With regard to our exports to Western countries whose monetary exchanges have always been managed in a liberal manner, we have managed to fulfill an estimated 108 percent of the export targets and an estimated 84 percent of the import targets.

In the tourism sector, in August 1988 the Council of Ministers reached a decision to transfer tourism work from the Ministry of Culture to the jurisdiction of the Ministry of Trade. Since then the Ministry of Trade has mapped out plans to operate tourism work on a commercial basis. While these tourism plans are being worked out the ministry has not ceased running tourism, thus generating an estimated U.S. \$20,000 per month for the country. According to the 1989 plan, with joint investment and business connections with foreign countries, it is expected that tourism will become one of the enterprises which will bring considerable revenues in foreign currencies to our country.

As for work in managing foreign experts, Loi Chansavat said that after the Ministry of Trade and Foreign Economic Relations was established, the Council of Ministers issued a decree transferring foreign experts management work from the Council of Ministers Office to his ministry. Preparations were also made to turn foreign experts service work into a business unit. By December those preparations were already completed.

An extremely crucial work carried out by the ministry was the promotion of cooperation with foreign countries. With regard to this work, we managed to score numerous achievements last year, especially in increasing our economic cooperation with the USSR. As is known, in November 1988 Laos and the USSR completed the implementation of cooperation projects on building a 150-bed hospital and a polytechnical school, and in repairing and building Highway No 13. All of these projects have already been turned over to the the Lao Government and are now fully operational.

As for the establishment of joint business ventures between Laos and the USSR, an agreement was also signed in early 1988. This agreement has already been put to work. As a result, a joint business venture on timber processing and forest conservation with the USSR has been now launched in central Laos covering the total acreage of 200,000 hectares. Preliminary work has also been underway to set up joint business ventures on the planting and processing of coffee and some spicy crops, such as chili peppers, green peppers, and other crops. At the same time, preparations have also been made to set up other joint trading enterprises between Laos and the USSR. [passage omitted]

The trade and foreign economic relations deputy minister continued: Following the restructuring of economic management mechanisms in Laos and in other socialist countries and with regard to our economic cooperation with those countries, our country and these socialist

countries are continuing consultations to adopt measures to increase the efficiency of our cooperation on the basis of the new thinking and by relying on new management mechanisms. Views have been exchanged among us to set up new cooperation projects in the economic field, for example in goods production.

As for our cooperation with and investments by Western countries, primarily capitalist countries, after the Law on Foreign Investment was promulgated by the SPC, several Western countries expressed interest in investing in Laos in the agricultural, mining, and forestry fields. Preliminary negotiations on several projects are currently under way, such as projects to promote agricultural production, to set up a glass production enterprise, and to conduct oil and tin exploration. Under the conditions provided by the Law on Foreign Investment in our country, at present we are trying to create favorable circumstances for foreigners to invest in our country. [passage omitted]

In the years to come the primary work for the Ministry of Trade and Foreign Economic Relations will be to rigorously implement guidelines on goods production, especially in the agricultural, forestry, and service sectors. The ministry must do everything possible to build a new economic structure and to improve the existing economic infrastructure, such as in the transport and communications sectors. This is the fundamental task of the ministry in addition to promoting trade and economic cooperation and investment in our country. At the same time plans to promote agricultural production in certain pivotal areas have also been mapped out, especially in Saravane, Savannakhet, Champassak, Khammouane, and Vientiane Provinces. In addition, effective measures must be adopted to promote goods production in remote and mountainous regions.

To fulfill the afore-mentioned political duties, the Ministry of Trade and Foreign Economic Relations has strictly implemented the policy and guidelines on the utilization of various economic sectors as outlined at the fourth party congress and reiterated at the fifth and sixth plenums of the party Central Committee. The ministry will try to utilize all available resources to set up partnership companies or 100-percent private-owned companies so as to contribute to promoting goods production as mentioned earlier. This is the Ministry of Trade's 1989 plan. [passage omitted]

Special Relations With Cambodia Viewed

*BK0401050789 Vientiane Domestic Service in Lao
0000 GMT 4 Jan 89*

[Unattributed "article:" "Special Solidarity and Overall Cooperation Between Laos and Cambodia Are Continuously Developing"]

[Text] The close relations and cooperation between the two countries—Laos and Cambodia—are fine traditions which have existed for several centuries. For years the

fraternal friendship, cooperation, and militant solidarity between Laos and Cambodia have been tested and tempered in the flames of revolutionary struggles for national liberation and for freedom and national independence carried out by the peoples of the two countries. Historical lessons drawn from their common struggles against the colonialists—both old and new—have indicated that the militant solidarity between Laos and Cambodia, as well as among Laos, Cambodia, and Vietnam is always an important decisive factor in scoring all victories for the three countries of Indochina.

The fraternal Lao, Cambodian, and Vietnamese peoples always share weal and woe in struggling against their common enemies. The victories scored in their national liberation struggles have contributed to the bankruptcy of the imperialists' colonialism and neocolonialism.

Nonetheless, during a certain period in the past, relations of friendship, fraternal cooperation, and close militant alliance between Laos and Cambodia were affected and became darkened to a certain extent because their enemies, namely the genocidal Pol Pot-Ieng Sary clique employed sinister schemes to subvert and undermine relations. But after Cambodia was once again liberated on 7 January 1979 and after the Cambodian people scored their miraculous victory in reviving and building a new life, these fraternal relations of friendship and overall cooperation have once again been restored and gradually developed for the better. The visit to the PRK by a high-level LPDR party-state delegation and the visit to the LPDR by a high-level PRK party-state delegation in 1979 constituted important historical events which have eventually served as a firm foundation for the development of the revolutions in the two countries in the new period, thus enabling the traditional militant solidarity between Laos and Cambodia to grow even more strongly.

Further enhancing the traditions of special solidarity and close militant alliance for national liberation in the past, the two countries—Laos and Cambodia—are doing everything to contribute to strengthening the relations of fraternal friendship and overall cooperation between them, thereby nurturing and preserving the special solidarity between the Lao and Cambodian peoples. All this has created conditions for the two peoples to score great achievements in defending and building their respective countries. On the basis of a sense of strategic and tactical unification shared by the Lao and Cambodian peoples, the two countries—Laos and Cambodia—have stepped up close coordination with the SRV in the political and international fields by consulting with one another on the events of the epoch. The three Indochinese countries annually and periodically convene a foreign ministerial conference to discuss overall cooperation of mutual benefits on the basis of respect for one another's independence, sovereignty, and territorial integrity so as to fulfill the strategic duties in each country and to discuss the orientation of the common movements in the immediate future to turn Southeast Asia into a zone of genuine

peace, friendship, stability, and cooperation; thereby creating favorable conditions for fulfilling the revolutionary responsibilities in each country.

Laos and Cambodia as well as Laos, Cambodia, and Vietnam have always supported and assisted one another in increasing their national defense abilities to fight against enemies who are bent on undermining and destroying the revolutions of the three Indochinese countries.

While strengthening their cooperation in the political field as mentioned above, Laos and Cambodia have also continuously strived to promote cooperation in the economic, scientific, technical, educational, cultural, trade, banking, financial, transport, and communication fields.

On the basis of the joint communique signed by Laos and Cambodia on 22 March 1979 and the joint communique of the Indochinese summit convened in February 1983, though encountering difficulties caused by the destructive and subversive acts of the enemies, and with the spirit of mutual solidarity and affection, the parties, states, and peoples of Laos and Cambodia have cooperated with each other to effectively implement the numerous agreements and protocols signed by the two sides, thus incessantly serving to develop and improve their economies and cultural life of their peoples.

In the past several years the LPDR has sent many delegations to visit the PRK to sign assistance agreements with the fraternal Cambodian people in carrying out economic rehabilitation in that country. These delegations included a technical team to help repair and build Highway No 13, a trade team to help build trading foundations in Kratie Province, and a technical team to study a transport route along the Mekong River.

In the trading field, the two sides signed a trade agreement in which the Lao side agreed to buy raw materials, such as rubber, from Cambodia and the Cambodian side to buy, such materials as coffee and other goods, from Laos. In addition, the two sides have also developed cooperation in producing tires and tapping rubber sap.

The two countries have constantly exchanged sports and cultural delegations with each other. Their cooperation in the scientific, technical, information, newspaper, and mass media fields is scoring more and more new commendable successes. As for cooperation in the public health field in particular, the Lao side regularly sends volunteer medical teams to assist in carrying out public health services in Stung Treng Province. So far, more than 10 Lao medical teams have operated in that Cambodian province, thus contributing to gradually improving the health and welfare of the Cambodian people there.

The successes derived from the cooperation between the two countries have created favorable conditions for each country to further develop its own capabilities and

potentials, thus contributing to strengthening the consolidated strength of the three Indochinese countries and to fulfilling the tasks of safeguarding peace and stability in Southeast Asia. In addition, they have also served to create numerous favorable and appropriate factors for the implementation of the policy of national reconciliation in the PRK and in the search for a political settlement to the Cambodian problem.

Philippines

Talks With U.S. on Veterans Claims To Continue
HK0401044389 Quezon City Radyo ng Bayan in Tagalog 0400 GMT 4 Jan 89

[Text] The Philippines and the United States have agreed to continue negotiations on the issue of U.S. payments to Filipino veterans. Foreign Affairs Secretary Raul Manglapus says the veterans' claims amount to \$100 million. He says that if other benefits are added to this the total comes to \$300 million. Manglapus says he hopes a favorable development on this issue will take place this year. The RP [Republic of the Philippines]-U.S. veterans' dialogue was suspended in 1987.

Antibases Group on Reaction to Peace Conference
HK0401113789 Quezon City GMA 7 Radio-Television Arts Network in Tagalog 1030 GMT 4 Jan 89

[From "GMA News" program]

[Text] Human rights supporters have expressed concern over the government's overreaction to the peace activists' conference.

According to Secretary General Kookie Diokno of the Antibases Coalition, the Aquino government is doing exactly what the Marcos regime had practiced. Under the Marcos regime, the advocates of human rights were considered communists. Diokno warned that this may end in a more serious division of Filipinos.

[Begin Diokno recording in English] If you are A, that means you are a communist; that means you are working for human rights, you are against the bases. You are working for land reform, you want our workers to have better conditions, you are a communist.

B: You are a democrat if you are in favor of increased violations of human rights, if you are in favor of very violent solutions to the problems of our country, if you want the economic conditions to stay as they are, then you're a democrat.

And it's very dangerous because if people are forced to choose, and eventually at some point in time people may be forced to choose between either A or B, what is going to happen to this country? [end recording]

Manglapus Sends Diplomatic Note to Malaysia
HK0501083589 Manila Radio Veritas in Tagalog
0700 GMT 5 Jan 89

[Text] Foreign Affairs Secretary Raul Manglapus has sent another diplomatic note to Malaysia. He has asked the Malaysian Government to stop arresting Filipino workers in Sabah.

Philippine Ambassador to Malaysia Pablo Suarez earlier confirmed that about 1,000 Filipinos have been arrested or subjected to interrogation, in line with Malaysia's campaign against illegal aliens.

This is the second diplomatic note the Philippines has sent to Malaysia.

According to Manglapus, Malaysia's response to his first diplomatic note could have been delayed because the Federal Government of Malaysia has to negotiate the issue with the Sabah government.

'Expert' Warns Against Action on Libyan Envoy
HK0201052089 Manila PHILIPPINE DAILY
GLOBE in English 2 Jan 89 p 3

[By staff writer Julius F. Fortuna]

[Text] The government should not trifle with its diplomatic relations with Libya, a country with "substantial clout" in the Organization of the Islamic Conference [OIC], a senior Filipino diplomat said yesterday.

A decision by Manila to declare the Libyan envoy to Manila Salim Adim as persona non grata would be the surest formula to have the Moro National Liberation Front admitted to the OIC as a regular member, the diplomat said.

The diplomat spoke to the GLOBE yesterday on condition of anonymity.

"If they declare (Libyan Ambassador Salim) Adim as persona non grata, that would be the surest way for the MNLF to be recognized as a regular OIC member," said the diplomat who is regarded as an expert on Middle East affairs.

He said that Libya, a leading member of the OIC and its Quadripartite Commission which deals directly with the MNLF, should not be underestimated.

In Zamboanga City, Ustadz Zain Jali warned that declaring Adim as undesirable would be a "definite blunder" on the part of the government.

Jali, a spokesman for the MNLF, said that there will be demonstrations in Mindanao if the Libyan envoy is expelled from the Philippines.

"What Adim said was not only a position of Libya, but the position of the whole OIC," Jali said yesterday in a telephone interview.

The government has been working to prevent the MNLF, now an observer in the OIC, from gaining regular membership in the powerful pan-Islamic body.

Foreign office sources said that Malacanang had considered declaring Adim as persona non grata after it was bothered by news reports that the Libyan ambassador had criticized the government's autonomy plan for the south.

A day after Adim's criticisms were published, President Aquino said last Wednesday that the mandate of the law was strictly followed in the composition of the Regional Consultative Commission [RCC].

She also instructed the Department of Foreign Affairs [DFA] to verify Adim's statements.

At a press conference Tuesday Adim was quoted as having said that "the problem with the RCC is that it did not consider the main parties to the conflict."

The envoy also said "most of the RCC members are not even concerned...that's one of the difficulty and problem of the RCC."

The senior Filipino diplomat interviewed by the GLOBE said the statements of the Libyan envoy reflects the position of his country in OIC meetings.

"It was even milder," he said, showing the GLOBE a copy of the Amman declaration of the 46-member OIC last March 25 where the RCC was criticized.

"The conference expressed deep regret over the failure of the government of the Philippines to honor its commitment to implement the Tripoli Agreement of 1976," the Amman declaration said.

The declaration also urged member countries to "extend material, financial, and humanitarian assistance to the MNLF to defend Muslim people and Islam and to pursue its just and legitimate rights."

Foreign ministers of the OIC are scheduled to meet next March to, among others, discuss anew the application for regular membership of the MNLF which gained observer status in 1978.

In related developments:

Filipino diplomats have been prevented by Manila from establishing official contacts with MNLF Chairman Nur Misuari, according to reliable DFA sources.

A source said that henceforth, only officials of the Peace Commission are authorized to get in touch with the MNLF leader, but its timing will be determined by Malacanaang.

The DFA has called to Manila its Middle East envoys for a conference to prepare for the coming OIC meeting in March.

'Cold War Mentality' Said To Block Trade

HK0501141189 Hong Kong AFP in English 1405 GMT
5 Jan 90

[Text] Manila, Jan 5 (AFP)—The "cold war mentality" of most Filipinos is preventing the country from expanding trade and cooperation with the Soviet Union, the Philippine ambassador to Moscow said Thursday.

"There are still many people who view things from the perception that the Philippines is a former U.S. colony," Ambassador Alejandro Melchor told reporters.

"Maybe they think that might affect American interests. But the more enlightened people in the United States don't think that way."

The Philippines' trade representative to Moscow, Hernani Jover, told reporters there were 24 "unrealized" projects proposed by Moscow in this country.

These include a joint venture, agricultural-industrial complex which would process local fruits, vegetable and aquamarine products for the Soviet Far East and Siberian markets.

But "the cold war mentality of most Filipinos, rather than U.S. influence, hampers the realization of these projects," Mr. Melchor said.

The Philippines in October signed an agreement with the United States on terms governing the terms for two large U.S. military bases in the country until 1990 and 1991.

But during a visit here by Soviet Foreign Minister Eduard Shevardnadze in December, the two countries issued a joint communique calling for the phaseout of superpower military bases in Southeast Asia and an increase in total bilateral trade to 200 million dollars, five times the 1987 total.

Mr. Melchor cited a recent conversation with a ranking U.S. official in charge of investments and economic cooperation who reportedly told him that "no vital interests of the United States would be affected by these projects" proposed by the Soviet Union.

Mr. Jover said Manila has asked Moscow for technology in the detection and control of typhoons, floods, earthquakes, and volcanic eruptions.

The proposal was discussed by Mr. Melchor with Alexander Yanshin, the vice president of the Soviet Academy of Sciences in October, he added.

Aquino Stresses Unity in New Year's Message

HK3112081388 Quezon City Radyo ng Bayan
in Tagalog 0800 GMT 31 Dec 88

[Text] President Aquino stressed the need for unity among the Filipino people so that the nation can achieve progress and stability in the coming year.

In her new year's message, the president said that she did not intend to wait for 6 years before accomplishing this common aspiration. She called on all political factions to set aside their political ambitions and to work together for the common good of all.

Aquino Sums Up 1988 Economic Achievements

HK0201102689 Quezon City Radyo ng Bayan
in Tagalog 1300 GMT 1 Jan 89

[Interview with President Corazon C. Aquino on the "Magtanong sa Pangulo (Ask the President)" program hosted by Frankie Batacan—in English, live or recorded, time and location not given—slantlines denote passages in Tagalog]

[Excerpt] [Passage omitted] [Aquino] You know, we saw our economy develop and our country advance towards stronger and more stable democracy in 1988. /We began 1988 with a promise to focus on three main areas: employment generation, improvement of the peace and order situation, and building an honest and efficient bureaucracy. This was to make our task of rebuilding our country more manageable, as we are aware that we have to lay down the building blocks for future growth./

As you know, in the beginning of 1988 I told the cabinet: /Let us think, eat, and sleep employment/, because I wanted us to concentrate on employment generation. Fortunately, owing to our efforts, our unemployment problem was alleviated due to increased investments in our country. With political stability here, foreign and domestic investors were encouraged to expand or start new businesses. New plants were opened, while capacities of existing firms were expanded, resulting in more job openings.

/And so in 1989, we will again encourage more investments in our country so that we can expand and create more job openings./

Also, what we did in 1988 was to /encourage people to go outside of Metro Manila, and I am very happy to report that more than half of the new investments were put up outside Metro Manila. And the reason for this was very obvious: So that we could decongest Metro Manila and also spread the benefits throughout the country./

[Batacan] Many people in the provinces, notably in Cavite, Laguna, and Batangas, have benefited from the government's dispersal program.

[Aquino] /Whenever we have foreign visitors here/, I always ask them to look at the places outside Metro Manila. What they ask from me are infrastructures, /that we set up the necessary infrastructures in these different areas so that they will be able to conduct their businesses there. So this is one of the main things that the Department of Public Works and Highways, together with the Department of Transportation and Communications, will be working on. We want not only foreign investors but, of course, our own domestic investors to go outside of Metro Manila so that the countryside will also experience these economic benefits./ [passage omitted]

Cabinet Meetings No Longer Open to Media
HK0201112289 Quezon City GMA 7 Radio-Television Arts Network in Tagalog 1030 GMT 2 Jan 89

[From "GMA News" program]

[Text] Journalists will no longer be allowed to cover the cabinet's regular meetings, starting this coming Wednesday. Instead, the press secretary will give a briefing on the discussion held at the meetings.

According to Press Secretary Teodoro Benigno, the media's presence prevents the cabinet members from discussing sensitive issues.

[Begin Benigno recording in English] The president has decided that cabinet meetings will no longer be open to media coverage, but meetings with governors and mayors will still be open for coverage. [end recording]

Mitra Dismisses Congress Infiltration Claim
HK0501083989 Manila Radio Veritas in Tagalog 0700 GMT 5 Jan 89

[Text] House Speaker Ramon Mitra Jr has dismissed the allegation that the communists have been able to infiltrate the House of Representatives.

According to Mitra, the House is a forum for all kinds of political and ideological ideas.

The military earlier disclosed that the staff in the lower house is under the control of the Communist Party of the Philippines. The nationalist bloc headed by Representative Bonifacio Gillego has denounced the military allegation.

Two New Chiefs Sworn Into Office 2 January
HK0201070289 Quezon City Radyo ng Bayan in Tagalog 0500 GMT 2 Jan 89

[Text] President Aquino swore into office the newly appointed commissioner of the Bureau of Internal Revenues [BIR] and the chairperson of the Securities and Exchange Commission [SEC] in Malacanang this morning. Sel Baisa for the details.

[Begin recording] In an interview, BIR Commissioner Jose Ong stressed that he will clean up and change the tarnished image of his bureau. At the same time, he dismissed concerns about a massive reshuffling, adding that such move was not necessary at the moment. Ong also said that he would institute new measures to increase collection and to fight graft and corruption in the bureau.

Ong and Lopez replaced former BIR Commissioner Bienvenido Tan and SEC Chairman Alfonso Sulit, respectively. Tan and Sulit have both retired from government service. [end recording]

700 Rights Cases Filed by Commission in 1988
HK3012042388 Manila THE MANILA CHRONICLE in English 30 Dec 88 p 7

[Text] Seven hundred cases of human rights violations all over the country were filed this year before various courts by the Commission on Human Rights [CHR]. Human Rights Chairman Mary Concepcion Bautista has reported.

This brings to 2,170 the number of human rights cases filed before the courts since the commission was established two years ago. Last year, the commission filed 1,463 cases.

In its year-end accomplishment report, Bautista said that out of the 170 walk-in complaints before the commission, 82 were dismissed due to lack of evidence or refusal of witnesses to come out.

The other 88 cases were considered resolved, she said.

Bautista said that most of the alleged human rights violations were committed by military, police, vigilante groups and the New People's Army all over the country.

In furtherance of its task to extend free legal services, the CHR has activated its quick-reaction team and action-line operations during weekends and holidays, she said.

The commission also started dialogues with various government agencies and non-government organizations on such issues as the treatment of detainees, the citizens armed forces geographical units (Cafgu), and illegal squatter demolitions.

Bautista said the CHR also provided medical and financial assistance and protection to victims of human rights violations and their families.

Foreigners Allegedly Support Leftist Forces
HK0201104089 Manila Radio Veritas in Tagalog
0700 GMT 2 Jan 89

[Text] PC-INP Chief Major General Ramon Montano has issued a warning that some 2,000 members of the Australian Peace Brigade [as heard] and other foreign activist groups reportedly are connected to leftist forces operating in Metro Manila. Reports indicate that the Brigade was formed on 26 December and is presently operating in Metro Manila.

General Montano also said that the PC-INP intelligence service is monitoring the activities of these activist groups in order to ensure that they do not engage in any acts that will affect the country's security. He added that any member of the Brigade caught violating the laws will be treated as an ordinary criminal.

The general said that the solution to the insurgency problem depends not only on the military but also on the political, social, and economic upgrading of the nation. According to him, it is impossible for the rebels to win with the multiplier effect brought about by the creation of the Citizens Armed Forces Geographical Unit, an anticommunist organization supported by the military, in various parts of the country. The spread of this organization is an indication of the spread of government forces in areas infested with communist rebels. Montano claimed that the military is prepared 24 hours a day and 365 days a year to deal with problems caused by communist and secessionist rebels in the country.

From Camp Aguinaldo, June Risonto reporting for Radio Veritas.

Ramos Peace Statement Termed 'Defeatist'
HK0501054989 Manila MANILA BULLETIN
in English 5 Jan 89 pp 6, 10

["Jesus Bigornia" column: "Ramos Stirs Alarm Over Peace Plan"]

[Text] Like Peter denying ties to Jesus thrice before the cock crowed, "Peaceniks" from Australia and New Zealand now here for a monthly "conference" have sought mightily to wash themselves free of their "Red" tinge. But, despite avowals of peaceful intentions ventilated by Polly Brennan, spokesperson of the Australian delegation, the visitors from the Antipodes could not hide their ties to avowed communist sponsors back home and "leftist" hosts in the Philippines.

A clinical examination into the paternity of the so-called Asia-Pacific People's Conference on Peace and Development has become necessary for the people of this country to understand the "hidden agenda" of this international meet. The move to close all American defense facilities in Australia germinated at a conference of the Sydney-based Australian Anti-Bases Coalition in early December 1986. Although it was claimed by organizers that the

meet represented "a broad spectrum of the Australian public," it was dominated by representatives of three Australian communist parties, the Communist Party of Australia, the pro-Moscow Socialist Party of Australia, and the Socialist Workers Party.

"Peaceniks" ambitions enlarged late last February when at a meet held in Melbourne the Coalition voted for inclusion in their agenda the closing of all United States bases in the whole of Asia and the Pacific. As part of its program to build up links in the region, the Sydney "Guardian," the newspaper of the Socialist Party of Australia, reported a Coalition decision to organize and send a "Peace Brigade" to the Philippines between December 1988 and December 1989.

According to a "Peace Brigade" promotional brochure, other sponsoring groups include the Philippines-Australia Solidarity Group (formerly the Philippines Action Support group), Philippines Resource Center, denounced in documents captured from Philippines rebels as Australian "front" organizations of the Communist Party of the Philippines; the Australia Asia Workers Links, which share offices with Phil-Aussie Solidarity; Nuclear Free and Independent Pacific Movement, whose leaders are prominent members of the Communist Party of Australia.

Local hosts of the uninvited "guests" include long suspected left-wing groups like the Kilusang Mayo Uno, [I May Movement], GABRIELA [General Assembly Binding Women For Reforms, Integrity, Equality, Leadership, and Action], BAYAN [Bagong Alyansang Makabayan—New People's Alliance], league of Filipino Students and the Association of Concerned Teachers. Visitors cannot, therefore, deny they are receiving assistance from communist sources. This is not to say that they all are card-bearing members of the communist parties of their own countries. But considering their willingness to risk life and limb in a country where a rebellion is in progress, they cannot avoid the suspicion that they are all manipulated by their communist sponsors and hosts.

As for spokesmen's avowals of peaceful intentions, and pledges not to interfere with Philippine domestic affairs, it is belied by their own programs to lead demonstrations against specific embassies of foreign governments and before U.S. military installations. Such riotous events could lead to violence considering the volatile nature of Filipinos. They may be subtle in provoking such affrays but without their encouragement from the sidelines, such events would not take place.

It might be in the interest of national security for such authorities as the intelligence community, the bureau of immigration and deportation and others to watch out for a Dennis Freney, a long time leader of the Communist Party of Australia. Freney has been to this country and stayed with the New People's Army in the Bicol region,

according in his own account which appeared with pictures in the Sydney Tribune. It is unlikely that Freney will come with the "Peace Brigade" but he is one of those behind the campaign.

No New Year statement aired by a ranking official has caused as much alarm and apprehension in political and business circles as that said the other day by Defense Secretary Fidel V. Ramos. He conceded in an interview that the military and defense establishments are prepared to back "peace initiatives" of the Cory government, meaning the armed might of the government would now seriously consider suspension of operations against the communist-led rebels to pave the way for peace talks.

The Ramos statement is viewed as defeatist. It implies that the military has lost the will to fight. Furthermore, it suggests a willingness to accept co-existence with the enemy provided they stay where they are all around the countryside and do not bother military camps and government installations. From all of which it may be inferred that the government could, with a little persuasion, consider partnership with the Communist Party of the Philippines in the governance of this nation.

This column had credited the defense secretary with more than average understanding of the real mission of communist movements all over the world: capture of the reins of government as a prelude to the installation of a dictatorship of the proletariat (the masses) which, in reality, is nothing more than the dictatorship of the indigenous communist party, in the case of the Philippines, the Communist Party of the Philippines. Unless, of course, the erstwhile Armed Forces chief of staff, an almost declared candidate for President in 1992, had his tongue in cheek. He could have been "playing up" to the Roman Catholic hierarchy here which has been battling for ceasefires. Who can say what was in the defense secretary's mind?

Defense Secretary Says Country 'More Stable'
HK0101062489 Quezon City Radyo ng Bayan
in Tagalog 0600 GMT 1 Jan 89

[Text] Defense Secretary Fidel Ramos said that the country is more stable now than it was from 1983 to 1986.

According to him, the number of communist insurgents have decreased by eight percent since 1987. He also noted the government's success in preventing the recurrence of war with the Muslim secessionist movement due to the readiness of the armed forces.

On the Honasan and Cabauatan groups, the defense secretary said that they would remain in hiding due to the military's monitoring and preemptive operations.

Defense Committee Recommends More Generals
HK0101063389 Quezon City Radyo ng Bayan
in Tagalog 0600 GMT 31 Dec 88

[Text] The joint defense-military committee has recommended the expansion of the Armed Forces of the Philippines [AFP] by increasing the number of generals and flag officers from 115 to 124. It also proposed a fixed tenure for the top three positions in the Armed Forces and for the four major services commanders in order to make the AFP officers' corps more professional.

The joint committee is headed by Defense Under Secretary Fortunato Abat.

Defense, Military Support Peace Initiatives
HK0301041389 Manila MANILA BULLETIN
in English 3 Jan 89 pp 1, 14

[By Wilma Yamzon]

[Excerpt] Defense and military officials indicated yesterday that they would support future government peace initiatives if the New People's Army (NPA) would show lesser belligerence.

In an interview, Defense Secretary Fidel V. Ramos said both the Armed Forces of the Philippines (AFP) and the Department of National Defense (DND) seem to have softened their stance against the NPA after the ceasefire holiday.

The suspension of military operations against communist rebels resulted in a much lower level of violence and harassment against government centers, military camps, and public utilities, Ramos said.

"I think it was a good decision on the part of the government. That (declaration of a ceasefire) was done last year and it appears to be accepted by the public," the defense chief said.

Earlier, the DND and the AFP had strongly objected to any truce declaration by the government, saying that the period of calm would only be used by the insurgents to consolidate their forces and launch propaganda against the government.

But the President, reportedly acting on the advice of both human rights and church leaders, declared separate 48-hour suspension of offensive action by the military on Christmas and New Year's Day.

On report that the Communist Party of the Philippines (CPP) and the NPA are planning a major attack this year, Ramos said "the AFP will always be prepared for anything."

"But may I just say that we look forward to 1989 as a year that will be fine and in which the AFP will continue to shine," he told defense reporters. [passage omitted]

Citizens Armed Forces Geographical Units Noted
*HK0201034089 Manila Far East Broadcasting
Company in English 2300 GMT 1 Jan 89*

[Text] The Central Visayas region now has a total of 1,000 Citizens Armed Forces Geographical Unit, or CAFGU, members. Colonel Fritz Pinanola, Recom [regional commander] 7 PC-INP spokesman, said: Of the figure, 500 are in Cebu and the other 500 are in Bohol Province. The CAFGU members have just completed their 45-day training conducted by the Philippine Army on December 24.

Pinanola said the military will train more CAFGU's in two other provinces of the region, Negros Oriental and Siquijor, to help the military in its drive against the insurgency. He said the CAFGU's are respected elements in fighting the insurgents in the countryside because of their familiarity with their respective locality.

Earlier, Brigadier General Mariano Baccay Jr, Central Visayas Constabulary and INP commander, urged the new CAFGU members to maintain discipline and respect for the law so as not to tarnish the image of the new organization.

He said the CAFGU's would be very effective in counterinsurgency operations because they are familiar with their respective locality. However, he warned that if the new organization's image is tarnished, then it will become an impotent tool in fighting the insurgents in the countryside as the people will no longer trust it. He said the abolished Civilian Home Defense Force, or CHDF, had been discredited and this was capitalized by the New People's Army in advancing their cause.

The Recom 7 chief asked the new CAFGU members to maintain their discipline and respect for the law.

NDF Claims Winning 'Fresh Victories'
*HK3112092488 Manila PHILIPPINE DAILY GLOBE
in English 31 Dec 88 p 3*

[By Julius Fortuna]

[Text] The insurgent National Democratic Front said yesterday that AFP [Armed Forces of the Philippines] officers caught as prisoners of war in the current insurgency will be treated according to international laws on the conduct of war.

"We shall continue to treat our prisoners in accordance with the Geneva Conventions and their protocols," Satur Ocampo, NDF spokesman, said in a one-page statement distributed to news organizations yesterday.

The NDF, which coordinates a dozen organizations including the communist-led New People's Army, said that it is waging a defensive war against the "U.S.-Aquino regime."

"Our forces are carrying on a mainly defensive war in the utmost humane manner possible," adding that rebel fighters are "bound through continuing education and stern sanctions to uphold the highest levels of discipline."

Ocampo, who led the rebel panel that negotiated with the government during the failed 60-day ceasefire beginning December 10, 1986, also said the NDF welcomes 1989 "with a firm resolve to push the national democratic revolution towards early victory."

Earlier, the NDF's biggest affiliate, the Communist Party of the Philippines, said in an anniversary statement Monday that it is capable of capturing state power in 10 years.

Assessing the past year, Ocampo said "the revolutionary forces and masses bore the brunt of the intensified brutality of the 'total war' waged by the U.S.-Aquino regime in its desperate effort to destroy the gains of the revolution and derail its advance."

Ocampo said that despite "certain tactical losses and partial setbacks," rebel forces are winning "fresh victories in the battle for the hearts and minds of the people."

NPA Negros Oriental Terrorism Plan Revealed
*HK0201033889 Manila Far East Broadcasting
Company in English 2300 GMT 1 Jan 89*

[Text] The Constabulary bared an alleged plot of the Communist Party of the Philippines [CPP] and its military arm the New People's Army to launch a protracted campaign of terror in Negros Oriental Province. Targets of assassinations and other terroristic activities are top civilian and military officials there.

Major General Ramon Montano, Constabulary chief and director general of the Integrated National Police, declassified a special report on the strategy being adopted by the communist rebels in Negros Oriental. The report was prepared by Lieutenant Colonel Ricardo de Leon, chief of the Negros Oriental PC command. He said the communist terrorists' plan will be carried out within a 2-year period.

De Leon said the new CPP-NPA strategy is primarily designed to counter the government's successful counterinsurgency program of clearing, consolidating, and developing rebel-infested areas. He said the NPAs are harassing the civilian population, most particularly the Bantay Bayan [civilian volunteer organization] members, barangay officials, surrenderees, and newly liberated barangays.

Cordillera NPA Claims To Set Up Government
HK3012043388 Manila PHILIPPINE DAILY
GLOBE in English 30 Dec 88 p 3

[By Philippines News and Features]

[Text] Baguio City—The New People's Army in the Mountain Province, in a Christmas message sent to the press, announced the setting-up of local people's councils—equivalent to local revolutionary governments—in the province.

The people's councils already function in some areas, according to the NPA's joint message with its political counterpart in the province, the Cordillera People's Democratic Front (CPDF).

The CPDF-NPA claim, if true, preempts government moves here.

The Aquino administration created some months ago a Regional Consultative Council [RCC] to help set up an autonomous regional government in this ethnic minority-dominated mountain area. The RCC has completed the first draft of a proposed organic act to cover the Mountain Province, Benguet, Abra, Ifugao and Kalinga-Apayao.

Barangay elections have also been set for March.

Village politics in village-centered Cordillera are considered crucial in over-all Cordillera politics.

In the Christmas statement, the CPDF-NPA in the province also claimed to have launched 23 small offensive actions against government armed forces, netting 80 weapons, but losing six guerrillas in the process.

The Christmas statement assailed the "terrorism" of the eight-battalion strong government contingent in the province, citing the killing of 12 civilians, helicopter bombings and strafings and the forcible evacuation of 100 families, mostly due to Army operations.

In a four-day military operation in the first week of December, the statement said, the military dropped 69 bombs on the small villages of Dandanac and Tabbak in Besao town, and strafed its mountainsides. Ground troops looted and burned homes, CPDF claimed.

The same statement also reported the creation in the province of local paramilitary groups with "indigenous colors," such as the Cordillera Regional Security Force and the Cordillera Bodong [peace pact] Defense Force, in addition to the "bantay bayan [civilian volunteer organization]."

Insurgent Influence Said To Drop in Mindanao
HK0201054489 Manila THE MANILA CHRONICLE
in English 2 Jan 89 p 3

[By staff member Manny Mogato]

[Text] Cagayan de Oro—Communist control and influence over remote villages in the whole of Mindanao has been reduced by at least 50 percent this year, military field commanders here reported.

Rebel strength also declined as the Communist Party of the Philippines (CPP) continued to eliminate members suspected to be "deep penetration agents" of the military and rebel supporters returning to the government fold increased.

In a yearend conference of PC-INP field commanders here, Maj. Gen. Ramon E. Montano PC-INP chief, said the peace and order situation in Mindanao was generally better in 1988 compared with the previous three years.

He said party set backs, purges, and the improving military combat and intelligence capability had been the main factor for greater stability in the South.

Citing figures and statistics from field reports, Montano said the rebels were forced to merge and dissolve some of their fronts and party committees to offset declining manpower and resources.

Of its seven regional party committees in 1986, only four were left in 1988 after a major reorganization was made "to recover from previous setbacks."

Aside from the purge of more than 800 communist regulars during the two-year period beginning in 1986, the capture of ranking cadres, mostly based in Mindanao, dislocated the CPP leadership.

Among those captured were Benjamin de Vera, Jorge Medlos and Romulo Kintanar who were the top CPP cadres in the region. Salvador Bas, the former head of the Mindanao commission (Kommid), resigned in disgrace and was replaced by Samar-based cadre Prudencio Calubid, a new member of the CPP central committee.

In Region 9 (Western Mindanao), Brig. Gen. Eduardo Batalla said rebel-affected areas in the Zamboanga provinces declined by 50.9 percent compared to 1987.

In Region 11 (Davao provinces), Brig. Gen. Miguel Abaya reported a 55 percent decline in the number of rebel affected areas, or 357 barangay out of 1,700 barangay. Last year, more than 410 barangay were under rebel control and influence.

Only about 23 percent of Region 10 (Northern Mindanao) remained under rebel influence. Last year, about 40 percent of the barangay in the region were under rebel influence and control.

In Central Mindanao, rebel activity remained very isolated as troops in the area concentrated more on Muslim secessionist rebels. The surrender of many Moro National Liberation Front (MNLF) field commanders and their followers demoralized other rebels, the military said.

Military Commanders Report on Situation
HK0101044289 Baguio City Mountain Province
Broadcasting Company in English 0400 GMT 1 Jan 89

[Text] The peace and order situation in Mindanao generally improved this year. This was the report of the four Mindanao based PC-INP regional and provincial commanders before PC Chief Major General Ramon Montano in a year-end conference.

Brigadier General Eduardo Batalla said rebel-affected areas in Western Mindanao decreased by half compared to 1987 figures.

In Northern Mindanao, Brigadier General Agustin reported a reduction to the number of NPA regulars and their sphere of influence.

Brigadier General Miguel Abaya, meantime, of Southern Mindanao and Colonel Jose Alfon of Central Mindanao both perceived a decrease of CPP [Communist Party of the Philippines]-NPA strength in their area.

The four commanders told Montano that the CPP-NPA Mindanao Commission underwent a major reorganization this year, [words indistinct] deep penetration agents and incompetent cadres. The commanders all said the insurgents' effort to build the NPA were hampered by its decreasing operational areas and its leadership problems among others.

Misuari Says NDF Supports Mindanao Secession
HK0501110589 Manila MANILA STANDARD
in English 5 Jan 89 p 2

[By Alito Malinao]

[Text] The move by the Moro National Liberation Front (MNLF) to "completely separate" from the Republic of the Philippines has the open support of the leftist National Democratic Front (NDF).

This was confirmed by MNLF Chairman Nur Misuari, in a recent letter to the Organization of Islamic Conference (OIC), a powerful bloc of 46 Islamic countries.

The letter, a copy of which was obtained by the STANDARD, said that even the left-leaning movements in the country spearheaded by the NDF "have openly and unilaterally declared their recognition of and support for the MNLF and the Bangsamoro [Moro Homeland] rights to self-determination and 'complete separation' from the Philippine Republic."

According to Misuari, the NDF's support for the MNLF secession move was done "as a matter of doctrine."

In his letter, Misuari also accused the Philippine Government of trying to "infiltrate" the OIC in its bid to counteract the influence of the MNLF in the Islamic grouping.

Misuari particularly assailed the plan reportedly hatched by Senator Mamintal Tamano of holding an international conference of Muslim leaders in Manila this year.

Misuari quoted a portion of Tamano's letter to Foreign Affairs Secretary Raul S. Manglapus which said that the world conference of Muslim leaders is being planned "in order to institutionalize and assure the presence of the Philippines in the OIC as a counterfoil to the MNLF."

The next OIC ministerial meeting is scheduled March 13-16 in Riyadh, Saudi Arabia.

Misuari charged that Tamano "is a paid-hack of the Philippine colonialism, an opportunist par excellence, who has made it a profession to attack the MNLF and hatch treasonous acts against the Bangsamoro Jihad Fi Sabilillah [translation unknown]."

Misuari also said that Senator Tamano's brother, Ambassador to Saudi Arabia Mauryag Tamano, was able to attend the last OIC meeting in Amman, Jordan, through dubious means. Ambassador Tamano attended the OIC meeting supposedly as chairman of the Majlis Da'awah Islamia Fil Philippine (Council for Islamic Call of the Philippines), Misuari said.

Misuari reiterated his request for the OIC to compel the Aquino government to comply with the provisions of the 1976 Tripoli Agreement in order to finally resolve the Mindanao problem.

At the Department of Foreign Affairs (DFA) yesterday, a cable from the Philippine Embassy in Tripoli confirmed earlier reports that Misuari was snubbed by Libyan strongman Mu'ammarr al-Qadhafi "three times."

Military Expects Trouble in 1989
HK2112044188 Baguio City Mountain Province
Broadcasting Company in English 0330 GMT 31 Dec 88

[Text] The military warned that there might be an outbreak of hostilities in Mindanao. In the past few days, Nur Misuari, chairman of the Moro National Liberation Front, and General Balbas of the Sulu command and Armed Forces have both predicted trouble in Mindanao early in the New Year.

Speaking from Jeddah, Misuari has already blamed the trouble on the AFP [Armed Forces of the Philippines], saying that they are planning to harass and provoke his trips.

Back home, General Balbas fears that the trouble is being centered around the return of Misuari who, he said, needs a higher international profile.

Meanwhile, centrist forces like Muslim Senator Rasul have been conducting a series of serious negotiations on the continuing Armed Forces-MNLF cease-fire that has so far proved more cordial than ever before.

Correction to Appointment Announcement

The following corrections pertain to the item headlined "Aquino Announces Appointment of New Officials," published in the 29 December East Asia DAILY REPORT, pages 59-61: Page 59, column two, paragraph one, sentence two ...of Jose Ong of SGV [Sycip, Gorres and Velayo—prestigious accounting firm] as the new... (clearing indistinct words)

Same column, paragraph four, sentence two: ...is willing to return to government service. If he does so, what will be his position?... (changing word "resume" to "return to" and clearing indistinct passage)

Page 60, column one, paragraph two, sentence one: ...have mentioned economic improvement as one of the achievements of your administration.... (clearing indistinct word and changing word "hindrances" to "achievements")

Same column, paragraph four, sentence one: ...the insurgents have a hit list of government officials and... (clearing indistinct words)

Same column, paragraph five, sentence one: ...we receive a report such as this is we ask... (clearing indistinct words)

Same column, paragraph six, sentence one: ...signing the budget bill?... (changing words "for 1989" to "bill")

Same column, paragraph ten, sentence one: [Reporter in Tagalog] Ma'am, are you... (indicating language used by reporter)

Same column, paragraph eleven, sentence one: [Aquino in Tagalog] The beneficiaries of that land distribution should be identified... (indicating language used by Aquino and changing word "CARP" to "that land distribution")

Same column, paragraph twelve, beginning with sentence one: [Reporter] Ma'am, this Saturday the year will end. Do you have any so-called New Year's resolutions for yourself? (clearing indistinct passage)

Column two, paragraph one, sentence nine: ...office, but perhaps, meet with them on....(changing queried word "(?coalesce)" to "meet")

Same column, paragraph six, sentence one: ...you will appoint Domingo Lee, the head of the federation [Federation of Chinese Chambers of Commerce], as ambassador to... (clearing indistinct name and adding editorial notation)

Same column, paragraph eight, sentence one: [Reporter] The rank of an ambassador to Taiwan... (clearing indistinct passage)

Same column, paragraph ten, sentence one: [Reporter] But we maintain economic and cultural... (rewording)

Same column, paragraph twelve, sentence one: [Reporter] What is the latest on the negotiations with the IMF-World Bank? (clearing indistinct passage)

Same column, paragraph thirteen, sentence one: ...I will be meeting again with Secretary Jayme and... (changing words "able to talk to" to "meeting again with")

Same paragraph, sentence six: ...some new measures which our creditors will undertake in... (supplying missing word)

Page 61, column one, paragraph one, sentence one: [Reporter in Tagalog] What is the... (indicating language used by reporter)

Same column, paragraph two, sentence one: [Aquino in Tagalog] This will be... (indicating language used by Aquino)

Thailand

Sitthi To Visit Hanoi, Ho Chi Minh City
OW0501103889 Tokyo KYODO in English 1024 GMT 5 Jan 89

[Text] Bangkok, Jan. 5 KYODO—Thai Foreign Minister Sitthi Sawetsila will visit the Vietnamese capital of Hanoi and Ho Chi Minh City January 9-12 to seek a political solution to the 10-year-old Kampuchean conflict, Thai Foreign Ministry sources said Thursday.

Sitthi's visit to Vietnam is the first by a Thai foreign minister in 12 years.

In a scheduled meeting with Vietnamese Foreign Minister Nguyen Co Thach, Sitthi will discuss complete withdrawal of Vietnamese troops from Kampuchea and prohibition of external military aid to each of the four factions in Kampuchea, the ministry sources said.

China is reportedly supplying arms to the Khmer Rouge faction of the anti-Vietnam tripartite resistance coalition, Democratic Kampuchea. The Soviets are behind Vietnam which has been sending troops to support the government of Heng Samrin in Phnom Penh. The resistance coalition comprises the Khmer Rouge and Prince Norodom Sihanouk's and Son Sann's factions.

Chawalit Postpones Laos Trip 'Indefinitely'
BK0501013189 Bangkok THE NATION in English
5 Jan 89 p 4

[Text] Armed Forces Chief of Staff Gen Sunthon Khongsomphong said yesterday army chief Gen Chawalit Yongchaiyut has indefinitely postponed his scheduled visit to Laos.

He said Gen Chawalit wants the Foreign Ministry to pursue its tasks in improving relations with Laos before he will take the trip which was originally scheduled for Jan 14.

"The military will let the Foreign Ministry carry out its tasks before we follow up on the work," he said.

He said the military will support the Foreign Ministry in improving relations with Laos and other neighbouring countries.

Chawalit's delegation, he said, would be composed of three teams. The first will deal with military affairs while the others will discuss matters related to economic as well as social and cultural ties.

Sunthon defended the military against criticism that they were interfering in foreign affairs.

He said that military contacts with neighbouring countries are healthy.

Prime Minister Greets Burma on Independence
BK0501070889 Bangkok Voice of Free Asia in English
1500 GMT 4 Jan 89

[Text] On the auspicious occasion of the independence day anniversary of the Union of Burma, the Thai prime minister entered his sincere congratulations and best wishes to the government and people of Burma. The Thai Government hopes that the friendship and understanding between the two countries continue to grow in the years ahead and serve to promote not only mutual well being for the peoples of the two countries, but also contribute to peace and harmony in the region as a whole.

1,200 Burmese Dissidents Face Expulsion
BK0501005589 Bangkok BANGKOK POST in English
5 Jan 89 p 1

[Text] Three Pagoda Pass—More than 1,000 Burmese dissidents taking refuge in Thailand will be deported if they fail to return before the January 31 deadline Rangoon has set.

Sources said the students who fled the bloody military intervention of September 18 were told they would be arrested and forced back if they did not report to Thai authorities for repatriation this week.

Officials in Sangkhlaburi District met the 1,200 dissidents on December 30 and told them they would be sent back if they failed to report for repatriation, they said.

The chairman of the All Burma Student Democratic Front, Htun Aung Kyaw, suggested his countrymen cross the border into Burma or move to other camps to avoid forced repatriation.

Vietnam

MIA Office Issues Statement on Work
BK0501102489 Hanoi International Service in English
1000 GMT 5 Jan 89

[Text] The Vietnam Office in Charge of Seeking Personnel Missing in Action has issued a statement saying that the Vietnamese state and people consider the searching for Americans missing in action a humanitarian act to the American people. The Vietnamese and U.S. Governments agreed that the two sides will settle all humanitarian issues resulting from the war.

For a long time the Vietnam Office in Charge of Seeking Personnel Missing in Action has received support and assistance from the people and administration at all levels. The office receives remains and information relating to Americans missing in Vietnam on the basis of voluntary goodwill of many people without any expectation of reward. At present the office is the only organization in charge of solving the MIA issues. The office's members consist of representatives from the Foreign Ministry, Defense Ministry, and Ministry of Interior and the Public Health Ministry.

Libyan Envoy Addresses Meeting on U.S. 'Threat'
BK0401152789 Hanoi VNA in English 1507 GMT
4 Jan 89

[Text] Hanoi VNA Jan. 4—A talk on recent developments in Libya was jointly held here today by the Vietnam Committee for Solidarity With the Libyan People, the Hanoi Fatherland Front committee and the Hanoi Committee for Solidarity and Friendship With Other Peoples.

The speaker, Saleh Muhammad al-Husni, secretary of the People's Bureau of the Libyan Socialist People's Arab Jamahiriya in Vietnam, particularly brought out the serious situation caused by the U.S. threat of aggression against Libya.

Foreign Ministry Comments on Event
BK0501103489 Hanoi International Service in English
1000 GMT 5 Jan 89

[Text] The VIETNAM NEWS AGENCY has reported on the U.S. shooting down of two Libyan aircraft. Commenting on this issue, a spokesman for the Vietnamese Foreign Ministry said on Thursday [5 January] that Vietnam was on many occasions threatened and

attacked by foreign countries on the basis of some alleged provocations. Meanwhile, the common tendency in the world is dialogue and settlement of conflicts by peaceful means. So the U.S. continuation to use military strength to threaten a smaller country is a violation of international law. This U.S. action ran counter to the trend of detente and dialogue and this action cannot be justified.

The Vietnamese people always support the just cause of the Libyan people in defending their independence, sovereignty, and security.

JIM II, Relations With PRC, Thailand Viewed
BK0501104289 Hanoi International Service in English
1000 GMT 5 Jan 89

[Text] A spokesman for the Vietnamese Foreign Ministry said: Vietnam is determined, along with the other countries concerned, to try its best to make the second Jakarta Informal Meeting, known as JIM II, a success.

Speaking at a regular press conference in Hanoi on Thursday, the spokesman said: As always, we think that the Kampuchean internal affairs must be settled by all Kampuchean parties. Vietnam respects all agreements reached between them. On the international aspect of the Kampuchean issue, he said, after the withdrawal of 50,000 Vietnamese Army volunteers late in 1988, the problem remains of ending the foreign military aid to the Kampuchean opposition parties.

Dealing with the relations with China, the Vietnamese Foreign Ministry spokesman stressed: We always advocate the promotion of contacts to solve differences because, compared with the long-term and fundamental interests of Vietnam and China—which are peace and development—the present differences are temporary and not great. We have made many efforts aimed at normalizing the relationship between the two socialist neighboring countries.

Many statements from Chinese leaders have shown that the stand on the Kampuchean issue of China and Vietnam has some similarities and the differences can be settled through negotiations between the two countries.

Regarding the impending visit to Vietnam by Thai Foreign Minister Sitthi Sawetsila, the spokesman said that this is the first visit to Vietnam by a Thai foreign minister. Vietnam hopes that the visit will proceed successfully, thus contributing to the preparations for the coming visit to Vietnam by Thai Prime Minister Chatchai Chunchawan and opening a new page in the relations between Vietnam and Thailand. The spokesman added: The mutual understanding and open relations between Vietnam and Thailand will considerably consolidate peace, stability, and cooperation in Southeast Asia.

Radio Cites Indonesia's Alatas on JIM II
BK3012122788 Hanoi International Service in English
1000 GMT 30 Dec 88

[Text] Indonesian Foreign Minister Ali Alatas has confirmed that the second informal meeting in Jakarta, or JIM II, for all opposing Kampuchean groups will be held early next year.

Speaking to newsmen at the year-end meeting of the Indonesian cabinet, Mr Alatas said: Indonesia will have the task of persuading all sides concerned of the need for JIM II. A second Jakarta Informal Meeting is scheduled for early January 1989 but it may be held in the 1st week of February next year. Minister Alatas remarked: At the second meeting much more effort will be made as compared with the first one as the second meeting will go straight to the contents of the issues under review. Therefore, each side will have to clarify its stand before sitting for negotiations.

The Indonesian foreign minister expressed his hope that the second meeting in Jakarta of all Kampuchean party would bring about blessings along with efforts for a solution to the Kampuchea issue.

Do Muoi Lauds Soviet, Vietnamese Workers
BK0501082389 Hanoi VNA in English 0716 GMT
5 Jan 89

[Text] Hanoi VNA January 5—Chairman of the Council of Minister Do Muoi has commended Soviet specialists and Vietnamese cadres and workers at the construction site of the Tri An hydro-electric power plant in Dong Nai Province, northeast of Ho Chi Minh City, on their new achievements.

In his message dated Jan. 4, Chairman Do Muoi said: "The second turbine generator of the Tri An hydro-electric power plant has been put into commission ahead of schedule and up to technical standard. The plant topped its 1988 power output by 33 million kwh. "On behalf of the Council of Ministers, I warmly commend our Soviet brothers and Vietnamese cadres and workers on their tireless efforts and outstanding achievements.

"On the occasion of the new year, I wish you good health and success in commissioning the third turbine unit on schedule."

Nguyen Van Linh To Head Delegation to PRK
BK0401155489 Hanoi VNA in English 1511 GMT
4 Jan 89

[Text] Hanoi VNA Jan 4—A party and state delegation led by General Secretary Nguyen Van Linh will attend the celebration of the 10th National Day of the People's Republic of Kampuchea (Jan. 7, 1979-1989) in Phnom Penh at the invitation of the party and state of the PRK.

Present at the see-off ceremony were President Vo Chi Cong, Chairman Do Muoi and other senior party and state officials.

The consul general of the PRK in Ho Chi Minh City, Suth Samnam, was also present.

Minister Interviewed on Foreign Economic Relations
BK3012124588 Hanoi International Service in English
1000 GMT 29 Dec 88

["Talk of the Week" feature: Voice of Vietnam interview with Doan Duy Thanh, minister of external economic relations—date and place not given]

[Text] On the threshold of the new year, the Voice of Vietnam has interviewed Mr Doan Duy Thanh, minister of the Vietnamese Ministry for External Economic Relations, on new feature in Vietnam's import-export activities in 1988. In this "Talk of the Week," we will bring you the translation of our interview.

Mr Doan Duy Thanh said: In 1988, Vietnam has expanded and deepened its external economic activities in the spirit of renovation put forward at the Sixth Party Congress. Compared with 1987, goods for export increased by 17.6 percent, including export goods to socialist countries increased by 17 percent and to non-socialist countries by 18 percent, and import goods increased by 9 percent. A new feature that emerged in Vietnam's import-export activities in the past year was that we switched from commercial activities to joint ventures and specialization in production. We succeeded in signing bilateral and multilateral agreements with foreign countries, especially with the Soviet Union and countries in the CEMA.

Vietnam, has signed 10 agreements with the Soviet Union on specialization and cooperation in the production of rubber, coffee, tea, essential oil, garment making, textile, leatherware, shoe production, and for Soviet technical help to the coal industry and cooperation in conducting tropical scientific research.

Vietnam has signed an agreement with Laos and Kampuchea for the exploitation of forests and the production of plaster. For the first time, three multilateral agreements have been signed between Vietnam and the CEMA countries on making and repairing oceangoing ships, manufacturing machine-tools, bicycles and accessories.

Mr Doan Duy Thanh told us that especially in 1988, Vietnam developed direct cooperation and promoted joint ventures between Vietnamese localities and enterprises with their counterparts in socialist countries in exporting farm produced, forestry products, traditional fine arts articles, and consumer goods. Noteworthy was the development of goods exchanges on a small-scale between localities along the borders with Laos and

Kampuchea. This helped attract the potentialities and develop the production of goods for export aimed at boosting the local economy.

The minister for external economic relations also said that in 1988 Vietnam made much progress in improving the quality of goods for export and filling orders given by foreign partners. Dealing with the law on foreign investment in Vietnam, Mr Doan Duy Thanh said: Vietnam is going to make concrete laws creating for chances for foreign investors to Vietnam including a law on commerce and a law on foreign trade. We will upgrade our promotion of the localities and their strong points and provide date to make its easier for foreign businessmen when seeking an opportunity to invest in Vietnam. Besides, Vietnam will facilitate customs procedures and means of transport to aid foreign investors in Vietnam. He said that 1 year after the promulgation of the law on foreign investment in Vietnam, about 1,000 foreign trade delegations have come to Vietnam and many of them have signed contracts with their Vietnamese trade partners.

In 1988, dozens of foreign partners have asked for licenses to invest in Vietnam in the form of business cooperation contracts or joint venture contracts and established enterprises with 100 percent foreign invested capital. He said that the Ministry for External Economic Relations has given 35 licenses for investment and is doing business with a total prescribed capital of about U.S. \$260 million, including U.S. \$225 million contributed by foreign partners. By now, many companies of the Soviet Union, Czechoslovakia, India, Thailand, France, Holland, Belgium, Hong Kong, the FRG, Britain, Singapore, Australia, South Korea, and a number of companies of overseas Vietnamese have invested in Vietnam.

Mr Doan Duy Thanh told us that the investments are in the areas of light industry, oil and gas, tourism, electronic appliance assembly, breeding and processing of sea products and farm produce, hotel service, and other services trading in hard currency. Besides, the Ministry for External Economic Relations has coordinated action with other ministries, branches, and localities for studying dozens of other projects to be adopted in the coming period.

Radio Wrapup of 1988 Food Production
BK3012141788 Hanoi International Service
in English 1000 GMT 30 Dec 88

["Vietnam Today" feature: "Year-End Roundup of the Food Situation in Vietnam"]

[Text] Speaking at the Sixth National Congress of Vietnamese Trade Unions in mid-October 1988, Chairman of the Council of Ministers Do Muoi said that he has been a member of the government council for 30 years in which 20 years he hold key positions. Reviewing those

years he added that the most primary concern has been the food problem. Natural calamities, crop failure, shortage of food, and foreign debt have been a headache for responsible people.

The food problem is still the most difficult problem in Vietnam. Despite the increase in food output every year—this year, it is 19 million [metric] tons—the food demand of the whole society has not been met and the food stockpile is insufficient. Each year several localities suffer heavy natural calamities and a part of the population are short of food, so they have to live the state subsidies and assistance from international organizations. The food shortage affected tens of thousands of families in northern provinces in the really months of 1988.

In the report to the regular session of the National Assembly late this year, representatives of the Council of Ministers openly self-criticized by saying that shortage of food in early this year is due to the weakness in management, bureaucracy, and irresponsible attitude to the people's life. The admission of these subjective shortcomings show the new change in the political atmosphere in Vietnam. However, we should also note the objective factor making the food problem more serious. First of all, natural calamities, the increase of population

growth rate, the shortage of production materials such as fertilizer and insecticide. Achieving 19 million [metric] tons of food this year was the great effort not only from the agricultural service but also from the whole society.

There are several reason leading to this result, for example: More land was reclaimed in the Plain of Reeds in South Vietnam, scientific and technical advances were applied into production. But the most important factor is the open policy promulgated by the state in 1988, which has encouraged the peasants in their production. The Resolution No. 10 of the Political Bureau on agricultural product-based contractual quota system and the encouragement for peasants to boost their household economy have made considerable changes in the countryside, especially in the Red River and Mekong River deltas. Many new factors and models on new management in production have appeared, promising a switch to commodity production.

From the results of agricultural production in 1988, a program of action for 1989 food year was adopted by the National Assembly in which the target number one is to obtain 20 million [metric] tons of food, an increase of 5 percent as compared with 1988. If that target is achieved, the average per capita food output in Vietnam will be 307 kg.

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